

**FOREST PLANTATION MANAGEMENT  
AND STUMP-TO-FOREST GATE CHAIN-OF-CUSTODY  
10 YEARS RECERTIFICATION EVALUATION REPORT For  
DURATEX S.A  
IN THE STATE SAO PAULO - BRAZIL**

**CONDUCTED UNDER THE AUSPICES OF THE FSC  
AND SCS FOREST CONSERVATION PROGRAM**  
Certification program accredited by FSC

**Certification registration number  
SCS-FM/COC- 00029P**

**SUBMITTED TO  
DURATEX S.A.**  
Fazenda Monte Alegre  
17120-000 – Agudos –Sao Paulo State- BRAZIL

Coordinated by Roberto E. Bauch

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#### **Organization of the Report**

The report of the results of our evaluation is divided into two sections. Section A provides the public summary and background information that is required by the Forest Stewardship Council. This section is made available to the general public and is intended to provide an overview of the evaluation process, the management programs and policies applied to the forest, and the results of the evaluation. Section A will be on the SCS web site ([www.scscertified.com](http://www.scscertified.com)), in at least 30 days after the certificate is issued. Section B contains more detailed results and information for the use of the company.

#### **Partial Certification Process**

Ten years recertification process of **DURATEX S.A** . forest management , in the region of Agudos and Lencois Paulista, Botucatu and Itapetininga in the Sao Paulo State, Brazil, covering a total area of **77.187,77** hectares being the pine and eucalyptus planted areas **59.722,65** hectares and conservation areas **14.024,29** hectares.

## Foreword

SCS -Scientific Certification Systems, a certification body accredited by the Forest Stewardship Council (FSC), was retained by DURATEX S.A to conduct a ten year recertification evaluation of its forests plantations, located in the State Sao Paulo. Under the FSC/SCS certification system, forest management operations meeting the international standards of forest stewardship, as well as ones defined by the Brazil Working Group for, for the Forest Management of Forest Plantations, in its most updated version during the field visit (version 8.0 – of May 2003), can be certified as “well managed”, thereby enabling use of the FSC endorsement and logo in the marketplace

In March 2005, an interdisciplinary team of environmental resource specialists was empanelled by SCS to conduct the evaluation. The team collected and analyzed written materials, conducted interviews and completed a five days field and office audit of the subject property as part of the recertification evaluation. Upon completion of the fact-finding phase of the evaluation, the team assigned performance scores to the 70 FSC Brazil criteria and, from those scores, generated weighted average performance scores for each of the 10 FSC Principles, in order to determine if this forest operation warranted certification.

This report is issued in support of its recommendation to award FSC-endorsed ten years recertification for the DURATEX S.A forest plantation management in the state Sao Paulo Brazil Like it is detailed following , some non conformities (also known like as major cars )were defined by the evaluation team after the field audit and delivered to DURATEX who totally accomplished by the company prior to finalization of this report, like it was verified by SCS. In the event that the recertificate is awarded, Scientific Certification Systems will post this public summary of the report on its website [www.scscertified.com](http://www.scscertified.com).

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## SECTION A – PUBLIC SUMMARY & BACKGROUND INFORMATION

### 1.0 GENERAL INFORMATION

#### 1.1 – FSC DATA REQUEST

<b>Company</b>	<b>DURATEX S.A.</b>	
Contact:	Antonio Joaquim de Oliveira, Forest Director	
Address :	Fazenda Monte Alegre 17120-000 – Agudos –Estado Sao Paulo	
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WEB	<a href="http://www.duratex.com.br">www.duratex.com.br</a>	
Certification type	Multiple farms (FMU),but only one Management Plan	
FMU Number	<b>50</b>	
FMU evaluated with less than 100 ha of area	<b>0</b>	
100 a 1.000 ha of area	<b>32</b>	
1.000 a 10.000 ha of area	<b>16</b>	
More than 10.000 ha of area	<b>2</b>	
Geographic Coordinates of the certified farms .	Lat 22°21'12,62" S	Lat 22°19'36,42" S
	Long 49°03'00,92" W	Long 47°28'15,43" W
	Lat 24°03'48,62" S	Lat 24°02'04,18" S
	Long 49°01'30,99 W	Long 47°25'32,95" W
Forest Region	Subtropical	
Total Forest area included in the FMU	<b>77.187,77</b> ha	
UIT less than 100 ha de area	<b>0</b>	
Between 100 and 1.000 ha of area	<b>17.267,42</b> ha	
Between 1.000 and 10.000 ha of area	<b>34.396,12</b> ha	
More than 10.000 ha of area	<b>25.524,23</b> ha	
Land tenure	Private (100%)	

Number of Forest workers including third part workers that act in the certificate area	<b>1048</b> direct employees
Forest protection area protected from the harvest activities, and managed with priority for conservation.	<b>14.024,29</b> ha
Forest area defined like high conservation Forest	Reserva do Matao with <b>560</b> ha
List of High conservation values	Primates like the mico leao da cara preta and bugio and birds
Productive Forest area	<b>59.722,65</b> ha
Productive Forest area classified like “plantation” for the Annual Accreditation Tax (AAF)	<b>59.722,65</b> ha
Commercial wood list included in the evaluation ( botanic and usual name )	Eucalyptus – <i>Eucalyptus grandis</i> and <i>Eucalyptus saligna</i> Pine - <i>Pine caribaea hondurensis</i> and <i>Pine oocarpa</i>
Authorized harvest approximate	2.574.000 m <sup>3</sup> logs/year
Certificate product category list together with FM/COC e therefore can be sold as FSC products	eucalyptus and pine logs

## 1.2 FOREST MANAGEMENT CONTEXT

The Plantation Forest Management developed by DURATEX at the Sao Paulo units must follow national and state regulations and laws related to forest management. The following main regulations must be observed:

In the federal sphere:

- Brazilian Forestry Code (Law 4771/65, modified by Law 7803/89)
- Interim Measure n° 2.166-67, de 24/08/2001, that changes the law 4.771/65 (Forest Code)

In the state sphere:

- Edict n° 17 of the DEPRN (Sao Paulo) of 03/30 1998 – established at the organism the initial documentation and the procedures for the Operation License.
- Emission of invoices (Notas Fiscais), when products are sold.

In the municipal sphere:

- ISSQN tax payments, when third-party services are used.

In addition, all work-related tax payments in the federal sphere are mandatory, including:

- Social security payments
- Government Severance Indemnity Fund for Employees (FGTS) payments
- Labor union fees (Union Dues)

### **1.2.1 Environmental context**

DURATEX's forests, the object of this recertification, are located along three regions in the State of Sao Paulo, including planting areas in the *Atlantic Plateau Region*, located immediately west of the coastal ranges, the *Peripheral Depression Region*, located in the central portion of the state, comprising the "*Itapetininga Regional District*", and the Central Plateau Region, comprising the "Districts of Botucatu, Lencois, and Agudos." These regions comprise a great variety of soil types, including quartzose sands, podzolic soils, and latosols showing great variation in texture, depth, and fertility. The climate in those regions is subtropical humid, with a dry season in the months of May through July, while January/February are the months with highest precipitation. From a vegetation point of view, the regions are inserted into an ecological tension zone, consisting of the contact between two types of vegetation, including the mesophytic forest and several cerrado physiognomies, such as the arboreal savanna, cerrado forms, and cerrado (thick arboreal or forest savanna). Since both vegetation domains are considered hotspots and are highly endangered, all remnants of natural vegetation, even those in a semi-natural state, are considered important in this region. Among the Conservation Units there represented, we find: Parque Estadual Carlos Botelho (state park), at the South end of the region, Area de Protecao Ambiental (EPA) Botucatu-Tejupa to the North, and the Ecological Stations of Angatuba and Paranapanema to the Northwest.

DURATEX has identified the Reserva do Matao area as a High Conservation Value Area, at Fazenda Rio Claro, in Lencois Paulista, Western Plateau region. By reading the works carried out at that location, together with a field visit, we were able to confirm that that is an extremely important area for maintaining biological diversity within the context of that region, providing one of the last refuges for animals and plants which, in the past, dominated vast areas of upstate Sao Paulo. Therefore, the area can be considered a key factor that demonstrates the company's interest in environmental conservation. It is interesting to point out that fauna and flora surveys are underway in the Itapetininga region, and that preliminary results demonstrate that a high value area with similar importance exists there, due to the presence of endangered species

### **1.2.2 Socioeconomic Context**

The DURATEX areas to be recertified are located between the regions of Agudos, Lencois Paulista, Botucatu, and Itapetininga. In the case of Agudos and Lencois Paulista, they belong to the Bauru administrative micro region, while Botucatu and Itapetininga belong to their own microregions. Agudos and Lencois Paulista are small municipalities with populations of 32 thousand and 55 thousand inhabitants, respectively, while Botucatu and Itapetininga are medium-sized municipalities, with

108 thousand and 125 thousand inhabitants. On checking on the socioeconomic indicators for these municipalities, such as the UNDP's HDI (Human Development Index) – which varies between 0 and 1, and ideally should be above 0.8 to be considered “high” – it can be noted that Agudos and Itapetininga present identical HDI values of 0.786, whereas Botucatu is the best, with 0.822, followed by Lencois Paulista, with 0.813. In conclusion, these are cities that show indices around or above the desirable level, which places them at an intermediate position in the State of Sao Paulo, and among the best in the country. These indices reflect a peculiar socioeconomic situation. In the case of Agudos, despite its small size, the city generates the highest amount of ICMS (value-added sales tax) collection in the region, mainly due to DURATEX itself and AMBEV, located in the municipality. In turn, Botucatu is the most industrialized of all municipalities analyzed, with a great number of small, medium, and large companies. As to Itapetininga, it has from medium- and large-sized industries to farming and livestock activities. However, it is located somewhat near Vale do Ribeira, the poorest region of the State, and this is reflected, to some extent, on its socioeconomic indicators. Finally, Lencois Paulista has some medium-sized industries; notwithstanding, the population makes a living basically off of agricultural activity, particularly in the sugar/alcohol and forestry industries. Income indicators, in turn, show that Agudos presents the smallest per capita income, which was only 1.76 minimum wages (m.w.) in the year 2000. Itapetininga and Lencois Paulista presented a little better income, at 2.15 and 2.32 m.w., respectively, while Botucatu, the most industrialized city, had a per capita income of 2.82 m.w.

### **1.3 Forest Management Enterprise**

#### **1.3.1 Land Use**

With regard to areas around DURATEX, they are, for the most part, large sugarcane, livestock, and forest plantation farms belonging to other companies in this sector. The number of small property owners is not very significant; these are found in higher numbers at the Itapetininga region, since DURATEX farms themselves are smaller properties. Land tenure is calm and pacific and no significant relationship problems between neighbors and the company can be noted. In the case of sugarcane, cultivation in the Lencois Paulista region developed notably after the 1970's, because of the Pro-Alcool program, which was aimed at replacing vehicular fossil fuel. Like the neighboring city of Agudos, the region did not have a developed agriculture due to little soil fertility, and was previously dedicated more to extensive livestock farming and subsistence agriculture, with occasional commercialization of surpluses. Itapetininga is the municipality with the strongest livestock and farming tradition, which is to date an important economic activity in the region, even though the growth of forest plantings can be observed in recent decades

#### **1.3.2 Land Outside Scope of Certification**

In the past, DURATEX had two forest districts outside the State of Sao Paulo; these no longer belong to the company, which sold its areas in Rio Grande do Sul and Bahia, as

well as all its properties in the region of Jundiai. In this respect, only some properties (2) that are in the process of adjustment to certifiable management are out of the scope of certification; these should be incorporated into the certified area in the next two years.

## 1.4 Management Plan

### 1.4.1 Management Objectives

The DURATEX forest plantation management has the objective to obtain more adequate raw material for the particle boards industry production. To raise this objective the company plants fast grow and adequate adapted to the climate conditions species.

### 1.4.2 Forest composition

The present timber complex at DURATEX was formed as the result of its work efforts as well as of the purchase of companies. Its forest properties are divided into 4 forest units at Agudos, Lencois Paulista, Botucatu, and Itapetininga, and all those units have most of their properties already certified or undergoing an adjustment process. The DURATEX areas at each of those certified units are listed below; the units, in turn, are formed by a series of Farms, characterized as follows:

FOREST UNITS	TOTAL AREA (ha)	PRESERVATION AREA (ha)	PLANTED ESPECIES	
			(esp)	(ha)
Botucatu	19.249,83	3.423,18	Eucalyptus	14.982,25
Lencois Paulista	23.601,22	3.739,34	Eucalyptus	14.905,28
			Pine	3.960,00
Agudos	16.182,68	1.966,95	Pine	13.457,71
			Eucalyptus	228,00
Itapetininga	18.154,04	4.894,82	Pine	1.502,00
			Eucalyptus	10.687,41
<b>TOTAL</b>	<b>77.187,77</b>	<b>14.024,29</b>		<b>59.722,65</b>

*Obs.: The missing areas (3.440,83 ha) refer to the roads and infrastructure .*

### 1.4.3 Silviculture System

Following is presented a table with planted species and its forest management including the awaited medium productivity

<b>Planted species, Forest management system and medium projected productivity for industrial supply</b>					
Species	Management	Cycle	m <sup>3</sup> cc/ha/year	hydro deficit	Soil Fertility
<i>Pine caribaea hondurensis</i>	Unique rotation Clear cut	12 years	30	Medium	Medium
<i>Pine oocarpa</i>					
<i>Eucalyptus saligna</i>	Unique rotation	6 years	45	Major	Minor
<i>Eucalyptus grandis</i>	2 rotations	6 e 12 years	45 e 38	Medium	Medium

- *Obs.1 – The productivity projections consider analysis of the soil and climate conditions and the fertilization recommendation when applicable*
- *Obs. 2 – The forest development is evaluated by the forest inventory and the plots history.*

The plantations are realized in function to the edafoclimatic zoning data that are based on soil survey per FMU and take in account the results of the company's breeding program.

#### **1.4.4 Management System**

The forest management system adopted by DURATEX is monocyclic, with uniform ages in each stand; clear cuts are made at certain ages according to site and species, seeking the maximization of timber volumes produced.

The organization of the forest director consists of 4 management offices, 2 of which are operational (Forest Production Manager and Supply Manager), one Development and environment, and the other forest planning and administration, with various divisions like the following organization chart in attach.

#### **1.4.5 Monitoring System**

DURATEX carries out monitoring operations, presenting their executive summaries for the following parameters:

- Annual consumption of pesticides: total, per hectare, and per forest unit
- Accidents at work: with or without time loss, involving own personnel or personnel from service providing companies.
- Labor turnover
- Fulfillment of labor and tax laws by possible service providing companies hired.
- Listing of identified fauna species

- Areas worked out per year in the pine and eucalyptus elimination program in conservation areas, by forest unit.
- Expansion, in hectares annually, of conservation areas.
- Annual statistics on forest fires by forest unit, fire spot, and affected area.
- Forest inventory, presenting volumes measured and yield projections, by year and by management unit.
- Soil Fertility
- Nutrient exportation rate
- Diseases and pests
- Erosive and gully erosion processes

#### 1.4.6 Maximum sustainable production estimate

For yield prognostic purposes, the company used the parameters described below, at the various regions, based on its forest inventory results

REGION	GENUS	TYPE	MANAGEMENT	PRODUCTIVITY (m <sup>3</sup> cc / ha / year)	
				1 <sup>o</sup> rotation	2 <sup>a</sup> rotation
Agudos	Pine	Own	12 years	30,0	-
	Eucalyptus	Own	6 / 6 years	45,0	38,0
Botucatu , Lencois	Eucalyptus	Own	1 rotation (6 years)	45,0	
	Eucalyptus	Own / rented.	2 rotations (6 / 6 years)	45,0	38,0
Itapetininga	Pine	Own	12 years	30,0	-
	Eucalyptus	Own /New areas	2 rotations (6 / 6 years)	45,0	38,0
	Eucalyptus	Incitement	2 rotations (6 / 6 years)	35,0	28,0

More detailed productive projections are done based on the historical management data, kepted at the forestry records, and taking in care the soil analysis, the climate and the fertilization recommendations when apply.

Trying to maximize the production, DURATEX implanted in 2003 the “Nucleus Breeding” concept that is a strategy to conduct to master breeding program for the company. Establishing specific breeding nucleus, for each edaphic region. At the execution level of these procedures, the DURATEX FMU’s were divided in three edafoclimatic regions, which principal characteristics are:

- Region 1 – Medium soil texture (biggest DURATEX area, comprehends the regions of Agudos, Lençóis Paulista and part of the Botucatu region on lower latitudes)
- Region 2 – Sandy soils and soils with medium sandy texture (part of the Botucatu region in higher latitudes, Itatinga region and north of the Itapetininga region)
- Region 3 – Clay soils (south region of the Itapetininga region)

The nutrition exportation at the harvesting is compensated with the fertilization done per soil analysis, done before the plantation. At the fertilization recommendations are consider the soil survey and the actualized soil analysis since the pre-plantation and

beginning of the 2<sup>nd</sup>. Rotation. The forest development accompaniment can indicate the necessity of supplementary fertilization, on spot and adjustment basis.

#### 1.4.7 Current and projected yield estimate

Yield estimates are based on consumption by the factories and on prognostics designed in the forest inventory. Planting areas are defined in relation to the factory's consumption, achieving a sustainable and long-term yield. The table below presents forecast consumption by the factories for the next 10 years, including some process improvements and small expansions.

In the Itapetininga region, a plan exists for purchasing up to 10% of the factory's consumption at the region.

Mill	PRODUCT	Foreseen Production (unit. / year)	INDUSTRIAL INDEX (m <sup>3</sup> cc/unit)	Consumption Mix	Wood Consumption (m <sup>3</sup> cc)			
					Pine	Eucalyptus	Chips / buy	TOTAL
Agudos	MDF	225.000 m <sup>3</sup>	2,00	100% Pin*	426.000	*	24.000	450.000
	Sawmill	24.000 m <sup>3</sup>	3,60	100% Pin*	86.400	*	(24.000)	62.400
	<b>SUB-TOTAL</b>	<b>249.000 m<sup>3</sup></b>			<b>512.400</b>	*		<b>512.400</b>
Botucatu	Boards	220.000 ton	3,0	100% Euc		660.000		660.000
	MDF	200.000 m <sup>3</sup>	2,0	100% Euc		400.000		400.000
	HDF	110.000 m <sup>3</sup>	3,0	100% Euc		330.000		330.000
	<b>SUB-TOTAL</b>	<b>530.000 m<sup>3</sup></b>				<b>1.390.000</b>		<b>1.390.000</b>
Itapetininga	Particle board	<b>440.000 m<sup>3</sup></b>	1,65	Pine e eucalyptus	16.506	<b>647.262</b>	62.232 (buy)	<b>726.000</b>
<b>TOTAL</b>					<b>16.506</b>	<b>2.549.662</b>	<b>62.232</b>	<b>2.262.400</b>

\* Observation : Actually the supply in Agudos is with pine, with a com prognosis to use in the future 100% eucalyptus

## 2. STANDARD USED IN THE EVALUATION PROCESS

The standards used in the teen years recertification process of **DURATEX S.A.** were the principles, criteria and indicators as defined in the standards for Plantation Forest Management of the FSC Working Group – Brazil, in the most recent version at the time of the field visit (version 8.0 of May 2003). They can be found at the FSC website: [www.fsc.org.br](http://www.fsc.org.br)

## 3.0 THE RECERTIFICATION ASSESSMENT PROCESS

### 3.1 *Assessment Dates*

- First certification – field audit                      January 09 to 13, 1995
- Re-certification – field audit :                      May 15 to 19, 2000
- Ten years Re-certification
  - Public meeting :                      March 7 and 8, 2005
  - Field visit :                      March 14 and 18, 2005.

### 3.2 *Assessment Team*

**Roberto E. Bauch**, agronomist and silvicultural engineer - Mr. Bauch has more than 30 years of professional experience as a consultant in the private sector in Brazil and Central America. He is a specialist in forest management and silviculture. As a consultant, he has worked in several technical assistance programs in agroforestry engineering and the management of natural and planted forests within and outside of Brazil. He has participated in SCS certification evaluations in 15 plantation and seven natural forest management units. He worked in Nicaragua with a Swedish project of technical cooperation (SIDA) particularly in the area of sustained management of forest resources with government forestry organizations and indigenous people of the Atlantic Coast. He participated in the organization of the new Nicaraguan Forestry Service, and worked on FAO's Tropical Forest Action Plan (TFAP/FAO) coordinating the strategic plan for the sustainable and economic use of firewood as fuel. He worked as specialist for the World Bank/UNDP program PRODEAGRO in the State of Mato Grosso, working with natural forest resource management with the objective of dispersing technical information on the sustainable management of humid tropical forests. Currently he is a consultant with the German aid agency GTZ for the ProManejo Project, which aims to disseminate forest management techniques in the Amazon through loan incentives, subsidies for the creation of forest policies and to test a new control model for forest activity.

**Dr. Jose Salatiel Rodrigues Pires**, ecologist, Ph.D. in Ecology and Natural Resources. Dr. Salatiel received his degree in Ecology from the Universidade Estadual Paulista (UNESP) Rio Claro campus, SP. He has a Masters in Limnology and a Doctorate in Planning and Environmental Conservation from the Graduate Program in Ecology and Natural Resources of the Universidade Federal de Sao Carlos (UFSCar). Currently, he is Adjunct Professor and Coordinator of the Environmental Planning and Analysis Laboratory at UFSCar in addition to being consultant in various environmental projects. He was consultant with the United National Program for Development (UNDP/World Bank) for projects involving conservation of bio-diversity Mato Grosso and Rondonia and development of the Management Plan for the Conservation Unit in Santa Catarina. He was coordinator for the project "List of Threatened Fauna Species in the State of Sao Paulo (UFSCar / State of Sao Paulo Environmental Secretary). He is a consultant and member of the Advisory Committee of the Pilot Program for the Protection of Tropical Forests of Brazil - PPG-7, Directed Research Project section - PPD (MCT/CCE) in the Subprogram for Science and Technology, with activities being the selection, evaluation and follow-up on environmental projects in the Brazilian Amazon. He was consultant

with the Organization of American States (OAS) in the selection of projects for the conservation of the Pantanal Matogrossense (GEF). For the past 20 years, Dr. Salatiel has worked in education and research (Universidade Federal Vicosa and Universidade Federal de Sao Carlos) while working in consulting projects for state agencies, non-governmental organization and consulting companies such as Engevix and ECP. His projects and research involve natural resource conservation, specifically related to the use of Geographic Information Systems for regional and landscape planning and conservation, Analysis of biological indicators for conservation area monitoring, Elaboration and implementation of environmental management systems, and Monitoring and evaluation of the environmental impact of development projects.

**Mario Yasuo Kikuchi**, Sociologist, received his BA at the Universidade de Sao Paulo, with a Master and Ph.D. at the same institution. He is a consultant in development projects in the environmental field with projects such as the environmental impact studies of hydroelectric dams Ji-Parana (Rondonia), Ita (Rio Grande do Sul and Santa Catarina), Machadinho (Rio Grande do Sul and Santa Catarina) and Segredo (Parana). He was Team Leader for the research team in the Ecological and Socio-economic Zoning in the state of Mato Grosso. He is member of the JBDSG in the Department of Preventative Medicine at the Escola Paulista de Medicina/Universidade Federal de Sao Paulo carrying out research as field coordinator of the Project on Diabetes Mellitus and Associated Diseases in the Japanese Community of Bauru – Second Stage. He was also coordinator of the census taking of this research population in the area of health and environment. He is a founding member of the Study Group on the Environment and Popular Participation (Grupo de Estudos de Meio Ambiente e Participacao Popular - GEMAPP/USP).

**Vanilda Shimoyama** Forest engineer and M. Sc. in Wood Technology, with over 16 years of professional experience, working as a researcher, consultant and advisor for the private sector in Brazil. In consulting and providing services for the industrial sector, she developed and implemented integration programs between Forest and Industry, aiming to obtain improvement in the quality of the final product and reduction of production costs. Also, she developed adequacy and optimization studies and programs for raw materials and industrial processes as well as use of residues. She developed and implemented monitoring programs of the wood technological characteristics and elaborated quality norms for Pine logs, for different market segments. In the forest sector, she elaborated norms for silvicultural activities and log harvest; she also developed, implemented and managed quality programs in the forest activities; she developed research about increase of the forest productivity and improvement of the wood quality. In the environmental sector, she carried out studies and developed programs to minimize the environmental impacts caused by the forest activities; she developed and implemented a program for management of residues generated by the forest activities, as well as norms for use of chemicals and introduction of new products; she coordinated studies about natural fragments (phytosociology) and projects for the recovery of degraded areas, studies, surveys and monitoring of fauna. In the social area, she developed programs of human resources qualification - training and recycling programs involving issues such as productivity, quality, work safety and environment; she developed projects, implemented and carried out environmental education programs for the schools in the Northern region of the State of Parana, for

schools of neighboring communities and people who work at companies around the region. She participated in the SCS certification process of two units of forest plantation management and 12 processes of chain of custody certification.

### 3.2.1 REVIEWERS -PEER REVIEWERS

The reviewers designated “Peer reviewers” are an integral part of the evaluation process described on the SCS Forest Conservation Program and have the goal of providing a critical analysis by neutral specialists about the executed report. The list showed below was chosen in common agreement between SCS and DURATEX. None of the reviewers have any financial interests with DURATEX and signed a confidentiality agreement when making their analysis and suggestions as in the appendices.

**Dr. Dr. Walter de Paula Lima**, PhD, Titular Professor, USP/ESALQ, Forest Science Department. Thematic Areas: Forest Hydrology, Manager of Micro Drainage Basins, Environmental Monitoring in Micro Drainage Basins, Hydrologic Indicators of a Sustainable Forest Management. Scientific Coordinator of PROMAB – Cooperative Research Program in Monitoring and modeling of Micro Drainage Basins.

**Dr. José Luiz Stape**, Doctor Professor, USP/ESALQ, Forest Science Department. Thematic Areas: Silviculture of planted forests, Eco-physiologic Modeling, Fixation and allocation of carbon in the forests, with many research works developed together with many forest companies.

The evaluation team carefully considered the comments provided by the two reviewers and made changes, as deemed appropriate, in response to those comments. The peer review comments are the personal professional opinions of the three experts that submitted comments and do not constitute the opinions or positions of the organizations within whom they are employed..

## 3.3 Assessment Process

### 3.3.1 Itinerary

Date	Farm	Region	Auditor
03/14/2005	Mamedina, Monte Alegre	Agudos	Roberto Bauch
	Monte Alegre	Agudos	Salatiel
	Itavuvu, Coqueiral, Angatuba IV	Itapetininga	Mario
	Santa Amalia; Sao Jose, Rio das Pedras, Aterradinho, Missioneira, Moquem	Itapetininga	Vanilda
03/15/2005	Rio Claro, Piracema, Rio Pardo, Guanabara	Lencois Paulista	Roberto Bauch
	Charquinho e Santa Tereza	Itapetininga	
	Guanabara, Sta Teresa, Rio Claro.	Lencois Paulista	Salatiel
	Morro do Ouro, Rincao do Pinhal, Ipê	Botucatu	Mario
	Monte Belo, Pitangueiras, Lobo, Macedonia, Ipê, Corrego Fundo, Rincao do Pinhal	Botucatu	Vanilda

<b>03/16/2005</b>	Missioneira, Moquem, Santo Antonio, Angatuba I, II e IV, Bofete	Itapetininga	Roberto Bauch
	Sta Maria, Sta Luzia II, Sta Maria II e Rio das Pedras	Itapetininga	Salatiel
	Rio Claro, Rio Pardo, Piracema e Santa Tereza do Palmital	Lencois Paulista	Mario
	Rio Claro, Rio Pardo, Piracema, Santa Tereza do Palmital	Lencois Paulista	Vanilda
<b>03/172005</b>	Rincao do Pinhal, Morro do Ouro, Americana, Macedonia, Lobo, Santa Catarina	Botucatu	Roberto Bauch
	Saltinho, Invernadinha, Tapioca, Sao Pedro da Terra Nova, Agua Bonita, Maria Cristina, Cerrados do Tamandua.	Botucatu	Salatiel
	Monte Alegre	Agudos	Mario
	Mamedina, Monte Alegre	Agudos	Vanilda
<b>03/182005</b>	Performance Evaluation of DURATEX and results presentation		Team

### 3.3.2 Evaluation of Management System

With regard to the social aspects, primary and secondary data were collected, relative to the many representative levels of the local and regional civil society. Similarly, particular attention was paid with regard to working conditions, including safety, training, transportation, meals, payments, tax collections, and fulfillment of the law. For this purpose, workers were interviewed at the places where their activities take place with reference to the documentation of service providing companies and the monitoring procedures applied to them.

In order to analyze environmental aspects, visits oriented to the above listed FMU's were made, in which we identified and inspected the cartographic material provided by the Company, and checked on their ground reality, observing the occurrence or not of environmental irregularities. During these visits, greater attention was paid to conservation areas protected by law, such as Permanent Preservation Areas and areas defined as Legal Reserve. The objective was to verify whether areas were the object of some sort of anthropic disturbance promoted by the company, by neighbors, or by the population in general, such as cultivation of Pine or some other crop, the presence of service roads, subject to surface water discharges, or selective extractivism, predatory hunting, among other aspects. Samples from natural remnant areas were visited to evaluate the degree of degradation and the efficiency of protection and/or conservation actions. Special attention was also given to internal road maintenance actions in these FMUs, in order to verify the procedures of this activity and their impacts on water bodies and on natural vegetation remnants. It is interesting to mention that great effort was made to visit the highest number possible of sampling areas, identifying the "non compliance's" described and discussed ahead.

The areas visited during the field evaluation were selected by the auditors Roberto Bauch and Vanilda Shimoyama including those where forestry operations occurred, such as inventory, soil tillage, ant fighting, herbicides application, harvest, skidding, and

transport. Other selected areas consisted of those where operations had already been performed, in order to evaluate the resulting impacts.

### 3.3.3 Selection of evaluated FMU

AUDITOR	FARMS (FMUs)
Vanilda	Santa Amalia; Sao Jose, Rio das Pedras, Aterrado, Missioneira, Moquem
	Monte Belo, Pitangueiras, Lobo, Macedonia, Ipê, Corrego Fundo, Rincao do Pinhal
	Rio Claro, Rio Pardo, Piracema, Santa Tereza do Palmital
	Mamedina, Monte Alegre
Roberto	Mamedina, Monte Alegre
	Rio Claro, Piracema, Rio Pardo, Guanabara
	Charquinho, Santa Tereza Missoneira, Moquem, Santo Antonio, Angatuba I, II e IV, Bofete
	Rincao do Pinhal, Morro do Ouro, Americana, Macedonia, Lobo, Santa Catarina
Mario	Fazendas Itavuvu, Coqueiral e Angatuba IV, Fazendas Morro de Ouro, Rincao do Pinhal, Ipê, Fazendas Rio Claro, Rio Pardo, Piracema e Santa Tereza do Palmital, Fazenda Monte Alegre, em Agudos
Salatiel	Monte Alegre, Guanabara, Sta Teresa, Rio Claro, Sta Maria, Sta Luzia II, Sta Maria II, Rio das Pedras, Saltinho, Invernadinha, Tapioca, Sao Pedro da Terra Nova, Agua Bonita, Maria Cristina, Cerrados do Tamandua.

### 3.3.4 Sites visited

On the table below are presented the main reason for the visits to the different FMU by the auditors Sometimes, in different days and with different perspectives, the same FMU was audited, with an objective to create a complete panorama of the forest activities of DURATEX..

FARMS (FMUs)	REASON
Agua Bonita	Evaluate the situation of conservation areas samples and forest roads
Americana	Forest Conservation
Angatuba I, II e IV	Pine harvest, waste use , conservation and permanent preservation areas
Aterrado	Loading and logs transportation, evaluation of the harvest and the cut removal impacts
Bofete	Soil preparation and road conservation
Cerrados do Tamandua	Evaluate the situation of samples of conservation areas and forest roads
Charquinho	Forest Conservation
Corrego Fundo	Soil preparation activities, planting and fertilization
Guanabara	Evaluate the situation of samples of conservation areas and forest roads
Guarei	Roads reallocation , standing timber sell , exotic species elimination
Invernadinha	Evaluate the situation of conservation areas samples and forest roads

Itavuvu	Conservation areas recuperation
Lobo	Natural areas exotic species elimination program; maintenance of the road net
Macedonia	Natural areas exotic species elimination program; maintenance of the road net
Mamedina	Sprout thinning,
Maria Cristina	Evaluate the situation of conservation areas samples and forest roads
Missioneira	Log removing and transport; waste depot for guiding
Monte Belo	Natural areas exotic species elimination program; maintenance of the road net
Monte Alegre	Cutting removing and log transportation to the mill and saw mill ,waste collecting planting herbicide application, exotic species elimination, roads realocation. Evaluate the situation of conservation areas samples and forest roads.
Morro do Ouro	Herbicides application
Moquem	Logs cutting and removal activities, exotic species elimination
Ipê	Sprout thinning activities
Piracema	Fertilization activities
Pitangueiras	Removal and wood transportation activities
Rincao do Pinhal	Mechanized fertilization activities and chemical products depot
Rio Claro	Nursery, chemical products depot , harvest activities, road conservation and Evaluate the situation of conservation areas samples , ecological corridors and analyze the high Forest Conservation Area - <i>Reserva do Matao</i> .
Rio Pardo	Sprout thinning activities and ants combat
Rio das Pedras	Chemical products depot , exotic species elimination at the natural areas road net Evaluate the situation of conservation areas samples and forest roads..
Saltinho	Evaluate the situation of conservation areas samples and forest roads.
Santa Amalia	Log harvest and transportation activities
Santo Antonio	Forest and roads conservation
Santa Tereza do Palmital	Logs harvest, removal, and transportation, waste collecting and planting .
Santa Terezinha	Forest and roads conservation
Sao Jose	Herbicide application
Sao Pedro da Terra Nova	Evaluate the situation of conservation areas samples and forest roads
Sta Luzia II	Evaluate the situation of conservation areas samples and forest roads
Sta Maria II	Evaluate the situation of conservation areas samples and forest roads
Sta Maria,	Evaluate the situation of conservation areas samples and forest roads
Sta Teresa	Evaluate the situation of conservation areas samples and forest roads
Tapioca	Evaluate the situation of conservation areas samples and forest roads

### 3.3.5 Stakeholder Consultation

Pursuant to SCS protocols, consultations with key stakeholders are an integral component of the evaluation process. Consultation took place prior to the audit, through letters to numerous institutions (see list appendix 1 ), and concurrent to the audit, with consultation in different localities , including municipalities where the company develop its activities. Among those interviewed were union stakeholders, representatives of public institutions, private organizations, political stakeholders and neighborhood

residents. The main purpose of the consultations was

- To ask for input from affected parties about the strengths and weaknesses of DURATEX . Forest plantation management, relative to the standard, and the nature of the interaction between the company and the surrounding communities.
- To solicit input if the responsible for the forest management did consultation to the affected parts to identify any high forest conservation area

The main stakeholders in this evaluation were identified based on the results of a list presented by the company , by research in other files, and also for all the listed by FSC Brazil stakeholder lists . The following groups were defined :as main interested parts:

- Competes employee, including management and field staff
- Third part workers
- FSC Brazil members
- Environment NGOs local and regional members
- Social NGOs local and regional members
- Company's log buyers
- Environment organizations(license, inspection) federal, state and municipal
- Other relevant groups

The evaluation team contacted organizations and individuals of the main interested parts. At the total 07 organizations answered regarding to the evaluation per email, phone contact and personal interviews ( see item 3.3.5.1 the synopsis of the comments). At the total for 109 organizations and individuals the public Consultation forms and a invitation letter were sent by emails or post, describing the certification process and giving the opportunity to do their comments ( appendix 02). The organizations or individuals which do comments and allowed to have his names at the report list , also the ones which were contacted but didn't answered , are listed at appendix 02

### **3.3.5.1 Model - Public Consultation for DURATEX S/A**

#### **REUNIAO PUBLICA**

#### **Certificacao Florestal FSC das Areas de Agudos, Botucatu, Lencois Paulista e Itapetininga**

#### **DURATEX S. A.**

A SCS – Scientific Certification Systems ([www.scs-certified.com](http://www.scs-certified.com)) – entidade credenciada pelo FSC (Forest Stewardship Council – Conselho de Manejo Florestal) para a Certificacao Florestal, vem através desta convidar a V. Sa. para as **Reunioes Publicas** que marcam o inicio do Processo de Re-Certificacao Florestal, requerida pela DURATEX S. A., em suas Unidades de Manejo que abastecem as fabricas de Agudos, Botucatu e Itapetininga. Essa empresa – ja Certificada pelo FSC/SCS – desenvolve manejo de florestas de eucalyptus e pine em diversos municipios no Estado de Sao Paulo, num total de 61.484 ha, sendo 48.847 ha de plantio comercial, dos quais 12.112 ha referem-se à Unidade de Itapetininga, e o restante, 36.735 ha, distribuido entre as Unidades de Agudos e Botucatu.

A DURATEX S. A. tem entre suas principais atividades: a producao de MDF e HDF, chapas de fibra de madeira e paineis de madeira aglomerada, gerando 930 empregos diretos. As Unidades de Manejo distribuem-se por plantacoes nos municipios de Agudos, Pederneiras, Lencois Paulista, Botucatu, Itatinga, Sao Miguel Arcanjo, Itapetininga, Sorocaba, Buri, Avare, Angatuba, Iaras, Paranapanema, Guareí e Bofete.

Alem dessas atividades, a DURATEX desenvolve, no campo institucional, o Programa de Educacao Ambiental *Piatan*, voltado à populacao em geral, no qual recebe em media 5500 visitantes por ano, entre estudantes, professores e clientes. Dentre os convênios, ha parcerias com ONGs e outros centros especializados para o desenvolvimento de pesquisas em conservacao de flora e fauna, solo, melhoramento genetico, controle biologico de pragas florestais, desenvolvimento de maquinas e equipamentos, treinamentos tecnicos, treinamentos de lideranca, dentre outros. A empresa oferece suporte logistico e/ou financeiros para o desenvolvimento de estagios e teses em nivel de mestrado e doutorado.

O processo de Certificacao FSC prevê a participacao popular e da sociedade civil, através da realizacao de duas Reunioes Publicas, que ocorrerao nos municipios de Itapetininga e Lencois Paulista, respectivamente. Essas Reunioes publicas serao realizadas nos proximos dias: **07 de Marco de 2005** (Segunda-feira), em **Itapetininga**, no Auditorio Abilio Vitor, localizado na Praca Nove de Julho, 518, e, no dia **08 de Marco de 2005** (Terca-feira), em **Lencois Paulista**, no Salao Paroquial da Igreja de Sao Jose (situado na Av. Castelo Branco, s/n, ao lado da Igreja de Sao Jose – Bairro Ubirama), sendo ambas as Reunioes entre as **19h00** e **21h30**. Os interessados poderao optar pela Reuniao que mais lhe convier, ou participar de ambas, se assim o desejar.

Salienta-se que a participacao das mais diversas instâncias representativas da sociedade civil mostra-se fundamental, visto que a Certificacao Florestal pressupoe o exercicio pleno da cidadania de individuos e instituicoes direta e indiretamente interessados no assunto. Da mesma forma, a requerente devera desenvolver seu manejo florestal em conformidade com os Principios e Criterios do FSC, o qual pressupoe que a empresa deva promover um manejo socialmente justo, ambientalmente adequado e economicamente viavel.

Ressalte-se que essas reunioes, serao realizadas sem a presenca da empresa e antes de se iniciar o novo Processo de Avaliacao (a ser realizado entre 14 e 19 de Marco de 2005). Seu objetivo sera colher sugestoes e preocupacoes que devem balizar os trabalhos da auditoria de campo, que avaliara como se desenvolvem os manejos florestais nos aspectos social, legal, ambiental e economico. Deste modo, sua participacao mostra-se importante, a fim de que todos possam manifestar suas preocupacoes, comentarios, sugestoes, criticas ou apresentar novas evidências que possam ser uteis ao processo e que serao, em sua totalidade, registradas na presenca de todos os participantes.

A Reuniao sera dividida em duas partes:

- a) Exposicao sucinta do processo de Certificacao Florestal segundo os Padroes do FSC (Conselho de Manejo Florestal), ocasio em que os participantes poderao expor suas duvidas remanescentes;
- b) Manifestacao das preocupacoes ou aspectos que os participantes gostariam de ver contemplados nos Processos de Certificacao Florestal da DURATEX S. A.

Caso seja de seu interesse, encontra-se em anexo um Questionario a ser preenchido por V. Sa., sendo que ele devera ser enviado a um dos seguintes e-mails: [robertobauch@uol.com.br](mailto:robertobauch@uol.com.br) ou [mariokikuchi@terra.com.br](mailto:mariokikuchi@terra.com.br), ou ainda, se preferir, ao fax: (0xx19) 3424-5028. Alem disso, se porventura houver interesse em obter maiores detalhes acerca dos Padroes de Certificacao do FSC para Manejo Florestal em Plantacoes Florestais no Brasil, esse documento pode ser obtidos no site do FSC ([www.fsc.org.br](http://www.fsc.org.br)), no item “Padroes de Certificacao”, onde e possivel fazer o seu download (em formato Word) gratuitamente.

Desta forma, todos estao convidados a participar da Reuniao Publica, **independentemente do recebimento formal deste comunicado**. Solicita-se, pois, de V. Sa. a divulgacao do evento e do Questionario em anexo às instituicoes e pessoas de seu conhecimento que tenham interesse em participar do processo.

Atenciosamente.

Roberto Bauch  
Jose Salatiel Rodrigues Pires  
Mario Kikuchi  
Auditores da SCS

### 3.3.5.2 Model - Questionnaire of the Public Consultation of DURATEX S/A

## QUESTIONARIO DE CONSULTA PUBLICA

### RE-CERTIFICACAO FLORESTAL DE PLANTACOES FLORESTAIS (Agudos, Lencois Paulista, Botucatu e Itapetininga)

#### DURATEX

Nome												
Instituicao												
Endereco p/ Contato												
CEP:							-				E-mail	
1. O(a) sr.(a) conhece a DURATEX? <input type="checkbox"/> Sim <input type="checkbox"/> Nao												
2. O(a) sr.(a) teria algum comentario a fazer a respeito da DURATEX? <input type="checkbox"/> Sim <input type="checkbox"/> Nao												
3. Quais seriam esses comentarios?												
4. O(a) sr.(a) teria algum comentario a fazer sobre as areas da DURATEX, na regio de Agudos, Lencois Paulista, Botucatu e Itapetininga? <input type="checkbox"/> Sim <input type="checkbox"/> Nao												
5. Quais seriam esses comentarios?												
6. Existe algum aspecto na area ambiental que o(a) sr.(a) considera digno de atencao na avaliacao de campo? <input type="checkbox"/> Sim <input type="checkbox"/> Nao												
Qual(is) seria(m) esse(s) aspecto(s) ambiental(is)?												
6.1 _____												
6.2 _____												
7. Existe algum aspecto na area social que o(a) sr.(a) considera digno de atencao na avaliacao de campo? <input type="checkbox"/> Sim <input type="checkbox"/> Nao												
Qual(is) seria(m) esse(s) aspecto(s) social(is)?												
7.1 _____												
7.2 _____												
O presente questionario tem por objetivo permitir aos cidadaos das mais variadas formacoes e interesses, ou representantes de instituicoes representativas da sociedade civil, participar de forma ativa do processo de Certificacao Florestal do FSC. Desta forma, solicita-se que este questionario seja enviado a um dos Seguintes E-mails: <a href="mailto:robertobauch@uol.com.br">robertobauch@uol.com.br</a> ou <a href="mailto:mariokikuchi@terra.com.br">mariokikuchi@terra.com.br</a> . Caso assim o prefira, o questionario pode ser enviado ao seguinte numero de fax: (0xx19) 3424-5028. Solicita-se, igualmente, que o questionario seja divulgado para aqueles que, no seu entendimento, sejam pessoas que possam contribuir para o processo.												
OBS.: a) As questoes levantadas neste questionario nao terao as identidades dos autores expostas nos documentos atinentes ao Processo de Certificacao. b) A participacao dos interessados na consulta publica nao implicara co-responsabilidade no Processo de Certificacao.												

### **3.3.5.3 Summary of Stakeholder Concerns and Responses from the Audit Team**

#### ***Social Issues***

- **What control exists about the work assurances for employees of companies that deal with residues?**

DURATEX controls each and every service provider eventually hired through its HR department, with regard to the observation of labor and tax laws. The field works provided evidence that monitoring by the company presented some flaws, largely because the organization is not accustomed to dealing with service providing companies, since almost 100% of the labor employed is their own. For this reason, a short-term CAR was presented in order to improve this area and, as a result, DURATEX organized a number of new procedures which made monitoring more strict, ensuring the fulfillment of labor regulations by hired companies.

- **What income-generating programs are supported by DURATEX?**

The income-generating programs supported by DURATEX are carried out mainly in the Agudos region. Since the end of the last decade, the company has sponsored the recovery of part of the old railway station, which became a financial support from the company, to install a joinery school. This initiative integrate a program to encourage the creation of a furniture-making center in the region. The company has not developed specific income-generating programs in the other regions. In this respect, a recommendation was presented to DURATEX in order to study the potential for the creation of wood sources for multiple uses, such as timber for sawmill use, lease holdings for honey production, and agricultural activities in some available areas. In the case of medium-sized producers, a forest incentive program exists at the Itapetininga region. Finally, it should be emphasized that DURATEX is one of the main employers in the regions where it develops its activities, in addition to factories installed in three regions (Agudos, Botucatu, and Itapetininga), generating direct jobs and a source of income for the population of the region

- **What is DURATEX policy for the purchase of new areas?**

In its Management Plan (item 4.6.), which shall be available as a consultation reference to those interested, DURATEX has established in a formal manner that, for the purchase of new areas: *“preference is given to areas with an extension greater than 500 ha, previously occupied by agricultural, livestock, or reforestation activities, which excludes from this process expansion toward areas belonging to small growers and native forest areas.”* Supplementary, DURATEX S. A. adopts as a procedure to carry out a documental and satellite image database assessment to prove that no conversion of use (deforestation) has occurred. The areas will be evaluated to feasibly the Legal Reserve composition Program that is carried out by the company. At present, the program for purchasing new areas for forest plantations has been terminated.

- **What is the status of the degraded area recuperation work that should have been carried out by Anidro and DURATEX at the Botucatu region, as determined by DEPRN in 2000?**

DURATEX has presented a report on the recovery of the Ferreirinha creek, which is part of the Rio Pardo hydrographic watershed (with a total extension of 2 km), determined by DEPRN at Botucatu in the year 2000, as a compensating measure for authorizing deforestation in an area of the Anidro company, which was then under the control of DURATEX. The project had support from UNESP and, following the determination that 15,800 native species seedlings should be planted, a total of 16,000 seedlings were planted in 2000. DURATEX exhibited photographs of the location, properly protected by a fence; at present, the area has been significantly recovered, and the species show good development in height, after three years have transpired since planting.

### *Environmental issues*

- **What are the Fauna monitoring results? How have they been published?**

The fauna monitorings in the company have been carried out by specialists associated with research and teaching centers. Their results are available in reports, which should be published by the specialists in scientific periodicals.

- **How to secure areas containing native vegetation in recently acquired areas?**

An agreement exists between the company and the SCS certifier that, when new farms are purchased, the company's environmental liabilities cannot be increased; that is, not increase the passive regards to the legal reserve is hectares, this provision is part of the land purchasing policy, as previously mentioned. In this respect, the company is absolutely interested in preserving the native vegetation, even as a form of increasing the amount of required legal reserve.

### *Economic issues*

- **Which are the destination for the pesticide containers?**

DURATEX S. A. returns all pesticide containers to the suppliers of such products or to companies authorized to receive them, so as to ensure their proper disposal. When the companies receive the containers, they issue a receipt specifying the quantities received. These documents are kept on file at DURATEX S. A. The company has an effective packaging return control, so as to ensure that not a single unit fails to be returned.

- **What precautions are taken in the application of pesticides?**

DURATEX has an annual training program for this activity, assuring that all employees are trained, before and during the execution of the activity which is necessarily performed with the use of individual protection equipment.

- **What studies ensure soil productivity in the long run?**

Silvicultural practices and harvest are conducted with the application of technologies that are constantly updated. Studies are carried out on the impacts caused by the implantation and harvesting activities, as for fertilizer pollution, environmental pollution, soil compaction and nutrients exportation are developed to allow adequate procedures to minimize and/or correct detected problems. Reduced tillage techniques are adopted, aimed at greater soil protection and conservation. The equipment used is selected by means of studies and tests, with the objective of attending to different soil conditions in cultivated areas, and all soil types have been mapped in the company's cartographic database. DURATEX S. A. has a fertility monitoring program, including soil and plant nutritional status analyses, based on which decisions are made with regard to fertilization. Harvest residues (branches, stubs) are triturated and disposed again on the soil for nutrient replacement.

### 3.3.6 – Other Evaluation Techniques

No other evaluation technique was used, only the ones normally used like fields audits, interviews and document consultations

### 3.4 – Total Time Spent on audit

A team of auditors was constituted to evaluate DURATEX; the team reviewed all documents sent, and reading took 23 hours to be completed. Team members also had to travel from their home towns to the company, totaling 22 traveling hours, and a 4-day field audit was carried out, amounting to a total of 141 hours. In addition, 08 hours were spent to define the interested parties and to send the invitation and the questionnaire. A total of 239 hours were spent.

(hours )

	Roberto	Salatiel	Mario	Vanilda
Public Meetings	4		4	
Displacement (trip )	4	6	5	7
Documentation	4	6	7	6
Field	36	36	32	37
Stakeholders-/ invitation			5	-
Closing (03/17 at night and 03/18)	8	8	8	8
Closing meeting	2	2	2	2
Sub-total	58	58	63	60

### 3.5 – Process of Determining Conformance

The certification standards defined by FSC comprise three hierarchical levels: the principles, followed by criteria that provide details for each principle, and finally indicators that provide details for each criterion. According to the SCS's Forest

Conservation Program evaluation protocols, an evaluation team should collectively determine whether a given forest operation complies with any applicable indicator within the relevance of the certification standard. Each noncompliance for a given criterion or subcriterion must be evaluated in order to determine whether it constitutes a major or minor noncompliance. Not all indicators have the same importance, and no numerical formula is employed to determine whether an operation is noncompliant. The team must use collective judgment to evaluate each criterion and to define its compliance. If a forest operation is evaluated as noncompliant for a given criterion, then at least one indicator must be evaluated as a major noncompliance.

Corrective action requests (CAR's) are issued for every instance of non-conformance. Major non-conformances trigger major CAR's and minor non-conformances trigger minor CAR's

#### ***Interpretations of Major CAR's (Preconditions), Minor CARs and Recommendations***

***Major CARs/Preconditions:*** Major non-conformances, either alone or in combination with non-conformances of other indicators, result (or are likely to result) in a fundamental failure to achieve the objectives of the relevant FSC Criterion given the uniqueness and fragility of each forest resource. These are corrective actions that must be resolved or closed out prior to award of the certificate. If major CAR's arise after an operation is certified, the timeframe for correcting these non-conformances is typically shorter than for minor CAR's. Certification is contingent on the certified operations response to the CAR within the stipulated time frame.

***Minor CARs:*** These are corrective action requests in response to minor non-conformances, which are typically limited in scale or can be characterized as an unusual lapse in the system. Corrective actions must be closed out within a specified time period of award of the certificate.

***Recommendations:*** These are suggestions that the audit team concludes would help the company move even further towards exemplary status. Action on the recommendations is voluntary and does not affect the maintenance of the certificate. Recommendations can be changed to CARs if performance with respect to the criterion triggering the recommendation falls into non-conformance.

## **4 – RESULTS OF THE EVALUATION**

On table 4.1 below ,are the audit team conclusions, related to the strengths and weaknesses of the forest operation in relation to the FSC principles and criteria. The table below present the number of corrective actions (CARs) in each principle.

### ***4.1 - Notable Strengths and Weaknesses of DURATEXrelative to the FSC Principles and Criteria***

<b>Principles</b>	<b>Strengths</b>	<b>Weaknesses</b>	<b>Provi- dence</b>
<b>P 01: Compliance with laws and FSC Principles</b>	<ul style="list-style-type: none"> <li>• Respect to laws pertaining to the forestry activity.</li> <li>• All levies and fees pertaining to the activity are collected.</li> <li>• There are formal procedures to protect management areas; that are protected against illegal activities.</li> <li>• Long term commitment for maintaining representative samples of the existing ecosystems.</li> <li>• A High Conservation Value Forest exists.</li> </ul>	<ul style="list-style-type: none"> <li>• Notions on environmental laws and international agreements must be completed during training events.</li> </ul>	<b>CAR 2004-07</b>
<b>P 02: Tenure and land use rights and responsibili- ties</b>	<ul style="list-style-type: none"> <li>• Clear documentation for the areas to be certified.</li> <li>• There are no pending administrative or legal issues regarding the properties.</li> <li>• Calm and peaceful tenure of properties.</li> <li>• Local communities and those located around the areas have their tenure rights assured.</li> </ul>		
<b>P 03: Indigenous People and Traditional Communi- ties rights</b>	<ul style="list-style-type: none"> <li>• Not applicable. There are no indigenous or traditional populations around or in the region where the management of DURATEX forest plantations is developed. Therefore, management does not threaten or decrease the tenure rights of any indigenous or traditional populations.</li> </ul>		
<b>P 04: Community relations and worker's rights of the Forest Manage- ment Unit</b>	<ul style="list-style-type: none"> <li>• Work opportunities for residents of the four regions: Agudos, Lencois Paulista, Botucatu, and Itapetininga.</li> <li>• Educational improvement opportunity for workers, through the "Educacao para um Futuro Melhor" (Education for a Better Future) program.</li> <li>• Almost 100% of the workers are the company's own employees.</li> <li>• Medical insurance for employees, extended to family members.</li> <li>• Suitable work conditions, with very good quality food (balanced by a nutritionist) and water provided to employees.</li> <li>• Work safety is monitored.</li> <li>• Clear signaling in work fronts.</li> <li>• Transportation provided to employees made in suitable and well-maintained vehicles.</li> <li>• Machines with safety equipment above manufacturer specifications.</li> <li>• Excellent employee training program.</li> <li>• Compensation above the average for the industry.</li> <li>• Union agreements serve as a reference to local Unions, in relation to benefits offered to employees.</li> </ul>	<ul style="list-style-type: none"> <li>• The company does not have a volunteer work program</li> </ul>	<b>PRE 2005-01 2005-02</b>  <b>REC. 2005-04</b>

<p><b>P 05 :</b> <b>Benefits from the Forest (Plantations)</b></p>	<ul style="list-style-type: none"> <li>• The company is a leader in the panel industry, with good profitability and investment capacity in the medium and long terms.</li> <li>• The DURATEX S.A. balance sheets show that the company has increased its income through sales in recent years.</li> <li>• Forest management is conducted in an objective and businesslike manner.</li> <li>• Plantations are highly productive, allowing 3 factories to be supplied and a total production of 220 thousand tons/year.</li> <li>• Lumber production is destined to the supplying of 3 factories of the group, installed in 3 regions of the State of Sao Paulo, with a diversified production.</li> <li>• Appropriate equipment in accordance with local conditions (topography, soil type) and economically viable</li> <li>• No fire is used for soil tillage.</li> <li>• Residues are properly disposed of, and a drum roller chopper is used to facilitate organic matter incorporation</li> <li>• The areas are fairly scattered, thus promoting the use of goods and services from local suppliers.</li> <li>• The company participates in river basin committees</li> <li>• The company has made efforts to reduce soil erosion problems and to maintain reserve areas</li> <li>• A recovery program exists for permanent preservation areas</li> <li>• A continuous forest inventory program exists, where yield estimates are similar to yields obtained in the inventory</li> <li>• Compatibility between current harvest levels and growth data.</li> <li>• Incentive to the local and rational use of residues</li> </ul>	<ul style="list-style-type: none"> <li>• Little effort in using the potential of some areas for management, aimed at achieving multiple uses for the forest.</li> <li>• Little effort in using the forest potential in terms of non-timber products</li> <li>• Bark is not used as a source of organic matter for the soil</li> </ul>	<p><b>REC</b> <b>2005-01</b> <b>2005.02</b> <b>2005.03</b></p>
<p><b>P 06 :</b> <b>Environmental Impact</b></p>	<ul style="list-style-type: none"> <li>• There exists a generic identification and evaluation of the environmental impacts of forest activities.</li> <li>• There exist agreements to carry out a faunistic survey;</li> <li>• There exist basic maps containing the conservation areas; and where micro water basin are delimited.</li> <li>• The company has prepared a Recovery Program for Permanent Preservation Areas and Legal Reserves;</li> <li>• Areas intended for conservation, legal reserve, and permanent preservation areas represent naturally occurring ecosystems in the region;</li> <li>• Existence of a forest-fire prevention and fighting plan;</li> <li>• There exists great heterogeneity between ecosystems in the areas of the company, with farms comprising large fragments, allowing the conservation of different vegetation physiognomies present in the State of Sao Paulo;</li> <li>• In larger FMUs, fauna corridors have been implemented to increase connectivity between fragments of natural areas;</li> </ul>	<ul style="list-style-type: none"> <li>• Description of impacts based on conceptual environmental impact studies, demonstrating the need for field work, especially with regard to the impact of forest operations on the fauna.</li> <li>• Delay in preparing more detailed maps. Basic maps little informative about the classification and status of preservation areas.</li> </ul>	<p><b>PRE</b> <b>2005-04</b> <b>2005-05</b> <b>2005-06</b></p> <p><b>CAR</b> <b>2005-01</b> <b>2005-02</b> <b>2005-03</b> <b>2005-06</b> <b>2005-09</b></p>

	<ul style="list-style-type: none"> <li>• The company uses recent aerial photos which permits the identification of the native vegetable cover of the FMU. For the farms certified on 1995, maps were elaborated with the characterization of the native vegetable cover</li> <li>• The equipment intended for use in forest activities is selected taking into account potential environmental impacts;</li> <li>• From what has been seen so far, damages caused by pests are low;</li> <li>• Pesticides have their use justified, with corresponding field tests, and every purchase is accompanied by an agronomic prescription;</li> <li>• When pesticides are applied, workers receive adequate training and use safety equipment;</li> <li>• A program exists for managing pesticides, including reception, storage, application, return, and final disposal of containers;</li> <li>• An integrated pest management program exists, even promoting the use of local predators;</li> <li>• A research program exists to reduce pesticide use and search for less toxic products;</li> <li>• Procedures and infrastructure have been implemented to handle, treat, dispose, and give a final destination to residues and product containers.</li> <li>• Existence of emergency procedures in case of accidents with chemicals.</li> <li>• Ant monitoring program.</li> <li>• Use of non-chemical methods (biological control)</li> <li>• Program for the monitoring and elimination of exotic species in preservation areas.</li> </ul>	<ul style="list-style-type: none"> <li>• New information from the fauna survey has to be applied to prevent operation impacts in especially important preservation areas (Case of “Pavo”- <i>Pyroderus scutatus</i>).</li> <li>• The company does not have information materials about the use of pesticide to be relayed to potentially affected persons</li> </ul>	
<b>P 07: Manage- ment Plan</b>	<ul style="list-style-type: none"> <li>• There is a Management Plan appropriate for the scale and intensity of the proposed operations, which is being implemented and updated. The long-term forest management objectives and the means to achieve them have been clearly described.</li> <li>• There is evidence that the planning and operation teams are familiar with the management plan.</li> <li>• The summary of the management plan is available for public consultation.</li> <li>• Periodic review of the management plan.</li> <li>• Complete use of forest resources in the production of boards.</li> <li>• Planning, implementation, and maintenance of the road network performed in accordance with technical specifications.</li> <li>• Appropriate control and storage of harvested products.</li> <li>• A plan for the prevention and control of fires with properly trained teams exists, with defined responsibilities to fight fire spots.</li> </ul>	<ul style="list-style-type: none"> <li>• Existence of small stands “<i>encroached</i>” inside preservation areas.</li> <li>• Inadequate, non-plotted field verification of permanent preservation areas</li> <li>• Existence of cattle in areas of the company</li> </ul>	<p><b>PRE 2005.3</b></p> <p><b>CAR 2005-03 2005-07</b></p> <p><b>REC 2005-05</b></p>

<p><b>P 8 – Monitoring and Assessment</b></p>	<ul style="list-style-type: none"> <li>• Standardized documentation exists containing the justification and availability of the monitoring and evaluation method;</li> <li>• The monitoring information that has been obtained is recorded;</li> <li>• The harvest productivity of the planted forest is recorded;</li> <li>• There exists a monitoring plan containing indicators which demonstrate growth rates and other conditions of the planted forest;</li> <li>• There exists a cost and productivity control system that preserves the company's confidentiality</li> </ul>	<ul style="list-style-type: none"> <li>• Non-permanent incorporation of environmental studies in the form of monitorings, in view of the scale of the forest operations.</li> </ul>	<p><b>CAR 2005-02</b></p>
<p><b>P 09 – Maintenance of high Conservation Value Forests</b></p>	<ul style="list-style-type: none"> <li>• The “Reserva do Matao” area has been determined as a High Conservation Value area because of its consistent attributes; in that respect, the area has been studied and protected.</li> <li>• The “Reserva do Matao” has a well-prepared Management Plan.</li> <li>• Surveys are being conducted at the Itapetininga region; although no similar area has been so far identified, important species have already been observed in this region that deserve special preservation attention.</li> </ul>	<ul style="list-style-type: none"> <li>• There is need for a systematic monitoring of the attributes that indicate the existence of HCVPs, in order to verify the effectiveness of conservation measures.</li> </ul>	<p><b>CAR 2004-08</b></p>
<p><b>P 10 –Forests plantations</b></p>	<ul style="list-style-type: none"> <li>• The objectives of the forest plantations are clear in the management plan, including the conservation of permanent preservation and legal reserve areas.</li> <li>• In comparison with land use activities in the surrounding area, the forest plantations promote a reasonable protection of remaining natural areas, allowing the preservation of important wild species habitats</li> <li>• The company has good spatial distribution, comprising different regions in the State of Sao Paulo, which has favored the creation of a labor market, maintaining excellent social sustainability of the forest</li> <li>• The selection of species for the plantations is based on the complete adaptation of the pine and eucalyptus species to the region where DURATEX exerts its activities and its compliance with the management plan</li> <li>• Currently DURATEX has 14,024 ha in preservation areas and is implementing an expansion of those areas.</li> <li>• The company realize a research about landscape management and indicate that this type of management will be very difficult to implement in their areas.</li> <li>• Use of clones and seeds adapted to several ecosystems</li> <li>• Development of a forestry breeding program;</li> <li>• Representation of preservation areas (PPAs, legal reserve) in the forest management unit, as well as their recovery plans, on maps and sketches.</li> </ul>	<ul style="list-style-type: none"> <li>• Inadequate, non-plotted field verification of permanent preservation areas</li> <li>• Still remain protection areas and/or hydro resources that need rehabilitation.</li> <li>• Commitment to expand Legal Reserve areas by 280 ha at every 3 years (in 2006 and 2009).</li> <li>• Existence of small stands “encroached” inside preservation areas, without justification</li> <li>• Road width between stands 34 and 60A-B at Fazenda Rio Claro, along the stretch that cuts through Reserva do Matao</li> <li>• DURATEX must initiate studies to implement a pilot system adopting the micro basin as a plane basis, in one UMF to be choose by the company, to determine operational procedures that permit soil, water and biodiversity conservation.</li> </ul>	<p><b>PRE 2005-06</b></p> <p><b>CAR 2005-03 2005-04 2005-05 2005-10 2005-11</b></p>

	<ul style="list-style-type: none"> <li>• Strategic programs aimed at the prevention and minimization of impacts on water resources (erosion control) and development of appropriate procedures.</li> <li>• Adequate soil tillage techniques without the use of fire (reduced tillage).</li> <li>• Branches are properly arranged during harvest, reducing soil compaction.</li> <li>• Adoption of techniques compatible with local conditions (topography, soil type, climate, among others)..</li> <li>• Existence of a program for the monitoring and periodic control of the quality of waste water from the nursery</li> <li>• Program for the monitoring and integrated management of forest pests and diseases.</li> <li>• DURATEX is no longer purchasing new properties. In addition, a land purchasing policy exists that prohibits the purchase of small areas that would imply displacement of small land owners</li> <li>• Justifications provided for the application and doses of chemical products.</li> <li>• Evidence of commitment for the optimized use of agrochemicals (ant monitoring program) and replacement of products with environmentally milder active principles.</li> </ul>		
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#### 4.2 *Pre-conditions or Major CAR's*

**Pre-condition:** correcting actions defined in a forest operation after the initial audit that must be solved and accepted before the certificate is issued. The certification can't be issued if a pre condition is no accomplished.

The following pre condition were defined at DURATEX during the initial audit. All of them were closed and accepted by the evaluation team.

<p><b>Background /Justifications:</b> Guarantees should be provided that labor laws will be fulfilled for employees of service providing companies, to be equally transported in appropriate and safe vehicles.</p>	
<p><b>PRE 2005.01</b></p>	<p>To be included on the safety technician checklist:</p> <ul style="list-style-type: none"> <li>• Verify that DURATEX S.A. IPE list is observed for all Service Providing Companies (SPC);</li> <li>• The following documents should be present at the work fronts: i) copies of employee records and occupational health statement ii) copies of chainsaw registrations with IBAMA, iii) authorization from DER for worker transportation vehicles;</li> <li>• Jacks and toolboxes cannot travel loosely on the buses;</li> <li>• Maximum diesel oil storage per work front of 200 liters (SPCs).</li> </ul>
<p>Reference</p>	<p><i>FSC Criteria P4.c2A, P4.c2C, P4.c2E e P6.c7</i></p>

<b>Background /Justifications:</b> Workers must be transported in safe and law-compliant vehicles.	
<b>PRE 2005.02</b>	Define and implement a periodic mechanical inspection system for buses, with a formal evaluation report on utilization.
Reference	<i>FSC Criteria P4.c2E</i>

<b>Background /Justifications:</b> Those responsible for management must be qualified and up to date in relation to technical and legal aspects involving the activity.	
<b>PRE 2005.03</b>	Present a managerial training program for 2005/2006 on environment involving themes about biodiversity conservation and sustainability of ecosystems.
Reference	<i>FSC Criteria P7.c3 e P1.c3</i>

<b>Background /Justifications:</b> Proper care must be taken so as not to expose workers or their family members to potentially hazardous chemical products.	
<b>PRE 2005.04</b>	Present the signed contract for laundering herbicide application uniforms;
Reference	<i>FSC Criteria P4.c2</i>

<b>Background /Justifications:</b> The forest plantation areas under management, as well as protection areas, must be safeguarded against actions that could harm them, taking into consideration a good relationship with the surrounding population	
<b>PRE 2005.05</b>	Define manners to remove cattle from DURATEX S.A. FMUs
Reference	<i>FSC Criteria P4.c4, p4.c5, P4.c6, P6.c2 e P6.c3</i>

<b>Background /Justifications</b> In certified areas, the company MUST comply with FSC policies regarding the use of pesticides	
<b>PRE 2005.06</b>	Using the chemicals Tuit and Goal-BR is forbidden. The company must present a plan about what will be done with existing supplies
Reference	<i>FSC Criteria 6.6</i>

## 5 – DECISION ABOUT THE CERTIFICATION

### 5.1 – RECERTIFICATION RECOMMENDATION

As determined by the full and proper execution of the SCS *Forest Conservation Program* evaluation protocols, the evaluation team hereby recommends that the DURATEX S.A be awarded FSC certification as a “Well-Managed Forest” subject to the corrective action requests stated in Section 5.2.for a five years period DURATEX S.A has demonstrated that their system of management is capable of ensuring that all of the requirements of the Standard for Forest Plantation Management in Brazil, version 8.0 are met over the forest area covered by the scope of the evaluation. DURATEX S.A

has also demonstrated that the described system of management is being implemented consistently over the forest area covered by the scope of the certificate

## 5.2 – CAR's (Corrective Actions Required)

<b>Background /Justifications:</b> Although forest management has been performed for a long time, direct analyses about the impacts of cutting and harvesting activities on the existing biodiversity in the area immediately surrounding the plantations have never been performed. Criterion P6c1 discusses the necessity for this evaluation, in view of the intense management carried out by the company, thus allowing unforeseen impacts due to the lack of specific studies to be incorporated into the management systems in order to determine corrective actions..	
<b>CAR 2005.01</b>	Prepare, until December 2005, an environmental impact study project for the forest operation of timber cutting and extraction, at least for two of the regions where the company maintains activities (Agudos/Lençóis - Itapetininga), planning for a quantitative analysis of mammalian and bird faunas by specialists, one year prior to and one and three years after the forest operations. This project must contemplate a suitable financial counterpart from DURATEX S.A. to ensure project success. The plan must be implemented upon presentation. DURATEX should assure the necessary human and materials for the project success.
<b>Deadline</b>	<i>December 2005 – project elaboration</i>
<b>Reference</b>	<i>FSC Criteria P6.c1</i>

<b>Background /Justifications:</b> DURATEX has 49 Forest Management Units with a grand total of 79,804 ha (Aug 2002) of certified area. Every year, 2.5 million m <sup>3</sup> of timber are harvested and transported; the company is among the 5 largest companies in terms of planted forest scale and management intensity. Even though the company has been conducting a series of environmental studies by means of agreements and arrangements with teaching and research centers, these studies need to be coordinated in further detail and have a more lasting character. It is considered that they should be permanently taken on by the company in the form of monitoring, allowing periodic surveys, reapplicable with time in different areas of the company, to be planned and carried out.	
<b>CAR 2005.02</b>	DURATEX S.A. shall present, until December 2005, programs to intensify, and a commitment to ensure adequate human and material investments, to carry out the following activities: <ul style="list-style-type: none"> <li>▪ Studies on “clearing dynamics”;</li> <li>▪ Studies on the “border effect”;</li> <li>▪ Fauna and flora monitoring at the company’s FMUs;</li> <li>▪ Definition of fragmentation and connectivity indices for the natural ecosystems at its FMUs;</li> </ul>

	The partial results for those programs shall be presented at every Annual Audit.
<b>Deadline</b>	<i>December 2005</i>
<b>Reference</b>	<i>FSC Criteria P6.c3 e P8.c2</i>

<b>Background /Justifications:</b> One of the basic elements for planning, managing and preserving natural resources consists in the identification and mapping of the environmental situation of the Forest Management Units at an appropriate scale. During the past recent years, the company has been perfecting the mapping system of its FMUs. However, considering that it has been now certified for 10 years, it is necessary to conclude the characterization stage of the company's preservation areas and permanently advance toward the determination of different environmental management actions that should be conducted	
<b>CAR 2005.03</b>	Conclude, until the first annual audit, all reclassification maps for the company's preservation areas and complete the entire ground reality analysis. Until December 2006, all maps must have been corrected and presented in their final format to allow the planning of environmental management activities
<b>Deadline</b>	December 2006.
<b>reference</b>	<i>FSC Criteria P6c4 e P10c5.</i>

<b>Background /Justifications:</b> One of the requirements made by FSC is that a portion of the entire forest management area, appropriate to the scale of the plantation, and to be determined according to regional standards, should be managed in order to restore the site to its natural cover. In the case of Brazil, this is required by law (Forestry Code); in the particular case of this company, it refers to 20% of Legal Reserve. This CAR is in agreement with the fulfillment of DURATEX's adjustment plan for legal reserves	
<b>CAR 2005.04</b>	Implement the preservation area expansion program, including the commitment to expand Legal Reserve areas by 280 ha at every 3 years (in 2006 and 2009).
<b>Deadline</b>	<i>2006 audit and 2009 audit</i>
<b>Reference</b>	<i>FSC Criteria P.c1, P1.c7, P6.c4 e P10 c5</i>

<b>Background /Justifications:</b> During the field audit, the existence of an area defined on the map as a Permanent Preservation Area (PPA) was verified at the Sta. Luzia II FMU, with a width of approximately 12 meters, while its size should be 30 meters (as preconized by the Forestry Code). Considering that the audit is performed by sampling, this noncompliance made the evaluation team concerned, and implies the necessity to review maps with regard to PPAs, since the necessity for readjustment should have been indicated for the area under consideration.	
<b>CAR 2005.05</b>	Review, until December 2005, the complete hydrographic network and wanting PPA areas. Present a summary by farm of the areas that should be recovered, together with a schedule of activities (P6c4),

	which should be carried out at the first harvest/reformation; Include the graphical scale and crosshairs containing UTM coordinates on the map
<b>Deadline</b>	December 2005
<b>Reference</b>	<i>FSC Criteria.P1c7; P6c4; p10c5.e P10 c6</i>

<b>Background /Justifications:</b> as provided in criterion 6.11, the company should have specific informative material on the application of pesticides to be advertised to neighbors	
<b>CAR 2005.06</b>	Prepare, until December 2005, informative material on the application of all pesticides used by the company, and present a dissemination plan for 2006 (P6c11).
<b>Deadline</b>	<i>Until December 2005</i>
<b>Reference</b>	<i>FSC Criteria 6.11</i>

<b>Background /Justifications:</b> The company's decision makers must be fully qualified with respect to the legal aspects that involve the activity.	
<b>CAR 2005.07</b>	Implement the 2005/2006 managerial training program on environment involving themes about biodiversity conservation and sustainability of ecosystems, presenting a summary of trainings at the annual audit
<b>Deadline</b>	<i>2006 audit</i>
<b>Reference</b>	<i>FSC Criteria P1.c4</i>

<b>Background /Justifications:</b> Among the attributes that justify the determination of a High Conservation Value Forest for the area known as Reserva do Matão is the presence of endangered primates. The company has already been performing the environmental control of the area, preventing degrading actions. It is necessary, however, to check whether these actions are effective to maintain or increase the conservation attributes that exist in the area.	
<b>CAR 2005.08</b>	Prepare a project, until December 2005, for the periodic monitoring of primates at Reserva do Matão (High Conservation Value Area). This project should provide for a adequate human and material counterpart to ensure project success. The project should be implemented starting in January 2006.
<b>Deadline</b>	Project – December 2005 Implementation of the project – January 2006.
<b>Reference</b>	<i>FSC Criteria - P9c4</i>

<b>Background /Justifications:</b> Considering that the management plan should be periodically reviewed to incorporate monitoring results or new scientific information, and the necessity of measures to protect rare, threatened, or endangered species, the	
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discovery of “Pavó” ( <i>Pyroderus scutatus</i> ) at one of the company’s FMU’s needs to be taken into consideration, before any operational procedure that could disturb the population or habits utilized by this species is carried out.	
<b>CAR 2005.09</b>	Define forest management changes, if needed, at the FMU where the endangered species “Pavó” ( <i>Pyroderus scutatus</i> ) has been found, in order to protect this bird species before the next cut is carried out.
<b>Deadline</b>	2007 Audit
<b>Reference</b>	FSC Criteria P6c2, P7.c2 e P8.c4

<b>Background /Justifications:</b> During the recertification audit, the existence of small stands “encroached” into conservation areas was verified. Some of these are recent plantings. In view of the fact that the company has a legal reserve area deficit and that the management of these “encroached” stands produces greater impact on conservation areas, the CAR described below is justified.	
<b>CAR 2005.10</b>	Present, at the 2006 audit, a list of all stands smaller than 25 ha encroached into conservation areas, and define criteria considering costs × environmental advantages of maintaining them as productive areas or transforming them into conservation areas
<b>Deadline</b>	Annual Audit 2006
<b>Reference</b>	FSC Criteria P10c2

<b>Background /Justifications:</b> As preconized by the FSC, actions must exist to favor connectivity between fragments of natural ecosystems. IN this respect, one of the roads that cuts through Reserva do Matão, between stands 34 and 60A-B (Rio Claro FMU) should be better studied: (i) with regard to the necessity of its existence, and (ii) if needed, with regard to the possibility of a reduction in width, in order to increase the connectivity between natural areas. It is important to remember that this Reserve has been instituted as a HCVF due to the presence of endangered primates.	
<b>CAR 2005.11</b>	Reduce, until the 2006 audit, the width of the road located between stands 34 and 60A-B at Fazenda Rio Claro, along the stretch that cuts through Reserva do Matão
<b>Deadline</b>	2006. Audit
<b>Reference</b>	FSC Criteria P10c2

<b>Background /Justifications:</b> A serie of technical-and scientific studies has demonstrated that the utilization of the micro-drainage basin as a planning unit for silviculture/agriculture productivity control, joined with the ecological parameters monitoring programs - soil loose , water quality and quantity changes and at the structure/quality in natural area – serve to measure yield system sustentability and define more adequately procedures of environmental management regarding to natural resources conservation. The present CAR aims that DURATEX starts studies to verify the possibility to adopt that such a possibility in its FMU, improving their capacity to analyze and environmental control, regards to the yield sustentability and	
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natural resources protection.	
<b>CAR 2005.12</b>	DURATEX must implement until the 2007 annual audit, a pilot system adopting micro-drainage basin as a planning unit, in one FMU to be chosen by the company, aiming to determinate operational procedures that permits biodiversity, soil and water conservation
<b>Deadline</b>	2007. Audit
<b>Reference</b>	FSC Criteria P5.c5, P6.c1, P10.c2

## Recommendations

**Recommendation2005.01:** Analyze the potential for the creation of lumber sources for multiple uses at the company's south region, especially in Buri, in order to help in the creation of log supplying alternatives for sawmills that existent in the region..

**Recommendation2005.02:** Analyze the possibility of managing areas for the production of timber for sawmills; leaseholdings for honey production; and leaseholdings of lands under high-tension power lines for agricultural production, aimed at the creation of new income generation opportunities in those regions

**Recommendation2005.03:** Evaluate the cost/benefit ratio of leaving eucalyptus bark in the field, with regard to soil fertility and energy gain.

**Recommendation2005.04:** Evaluate the potential for the implementation of a volunteer program within the company.

**Recommendation2005.05:** Include, in the training activities related to the forest activity, notions on environmental laws and International Agreements of which Brazil is a signatory, as expressed in P1.c3.

## 6 – SURVEILLANCE EVALUATIONS

### 6.1 2006 Annual Audit

#### 6.1.1 Assessment Dates

Original Certification, field audit:	January 9-12, 1995
5-year Recertification, field audit:	May 15-19, 2000
10-year Recertification, field audit:	March 14-18, 2005
1st annual audit since 10-year, field audit:	June 28-30, 2006

#### 6.1.2 Auditors

Roberto E. Bauch and Vanilda R. S. Shimoyama

#### 6.1.3 Assessment Process

The Duratex annual audit began on the 28th of June, 2006. Auditor Roberto Bauch visited Fazenda Monte Alegre in Agudos, to look at the harvest of exotics in conservation areas, the Piatã environmental education project, ground preparation and eucalyptus planting, implementation of wildlife corridors, and conservation area recovery units. There was a change in the Piatã project, in the sense that they've finished with the animal breeding to focus primarily on environmental aspects and on the company's products.

Auditor Vanilda visited the Buri and Itapetininga/SP regions, specifically the Fazenda Santa Maria II, where she verified conservation of native and planted forests, conservation of the road network, and improvement of the Permanent Preservation Areas (PPAs). In the Santa Terezinha fazenda, she evaluated the harvesting activities, mechanized (in-house) and semi-mechanized (contracted) systems, involving cutting, removal, and transport, interviewing of the company employees and contractors, and the administrator of the contracting company. She also evaluated the collection of harvesting waste by the company Center Flora. In the Santa Amalia and Coqueiral fazendas she checked on the harvesting of pine in the PPAs, by the process of selling the wood on foot.

On the 29th auditor Roberto Bauch visited the fazendas in the Lençóis Paulista region to observe the areas of PPAs, the Matão reserve that is an HCVF and the work done there, the fauna/wildlife corridors established 3 years ago, application of ant pesticide, control and breakdown of pesticide packaging, the nursery, and the damages caused by the 2005 tornado. In the morning, auditor Vanilda did a chain of custody audit at the Itapetininga factory and in the afternoon she visited fazenda Rio das Pedras, to check on chemical product deposits, conservation of native forest stands, conservation of the road network, the exotics eradication program in the conservation areas, and the adequacy of the PPAs. She also visited the following fazendas in the Botucatu region: Maria Cristina, Água Bonita, Cerrados do Tamanduá and São Pedro da Terra Nova, where she observed planting activities, ant control, PPA adequacy in areas recently planted, exotics eradication in conservation areas, and the conservation of the road network.

On June 30th in the morning, auditor Roberto Bauch visited the following fazendas in the Botucatu region: Morro do Ouro, Rincão do Pinhal, Macedônia, Ipê, Pitangueiras and Primavera. He observed precautions taken to conserve soils, recovery of PPAs, elimination of exotics, mechanized forest harvesting, site preparation and planting, and workplace safety measures.

Vanilda visited fazenda Santa Lúcia, evaluating mechanized harvesting, done by Duratex's own machinery. She also visited fazendas Monte Belo and Paninguel, where she observed conditions of road maintenance, conservation of forest stands and native fragments, elimination of exotics in conservation areas and the adequacy of PPAs. In the afternoon the auditors met for the general evaluation of the company. Afterwards a closing meeting was held with the company representatives, to present and discuss the audit results.

#### **6.1.4 – Status of Corrective Action Requests and Recommendations**

##### **CARs:**

<b>CAR 2005-01 (minor)</b>	<b>Reference: FSC P6.c1</b>
<p>Prepare, by December 2005, an environmental impact study project for the forest operation of timber cutting and extraction, at least for two of the regions where the company maintains activities (Agudos/Lençóis - Itapetininga), planning for a quantitative analysis of mammalian and bird faunas by specialists, one year prior to and one and three years after the forest operations. This project must contemplate a suitable financial counterpart from DURATEX S.A. to ensure project success. The plan must be implemented upon presentation. DURATEX should assure the necessary human and materials for the project success.</p>	
<b>Company actions/auditor comments</b>	
<p>In the 2006 audit they presented a project to complete this CAR, however due to the high cost, new directions were discussed, where the company should present by September 15, 2006 a new work proposal, concentrating on one pilot area (for example, Lençóis Paulista). By the next audit (2007) Duratex should organize an analysis of the fauna survey work already done by the company, presenting conclusions on the impacts of plantation management on forest wildlife conservation. Duratex presented the following guidance proposals:</p> <p>a) Conduct research on the influence of Eucalypt management on forest wildlife, using bats as mammal indicators. The research will be conducted in partnership with the university. Project will be done in the Fazenda Rio Claro. The study will commence in the field the first semester of 2007.</p> <p>b) Conclude research on the brown jaguar, in search of information on conservation of fauna in reforested areas. Project to be developed in Agudos and Lençóis Paulista. Conclusion foreseen for 2007, with technical and scientific support by biologist Leonardo Siqueira Mendonça, Master of Ecology, directed by Prof<sup>a</sup> Eleonora Setz from the Laboratório de Ecologia e Comportamento de Mamíferos do Departamento de Zoologia da UNICAMP.</p> <p>c) The Duratex technical team will do a literature review on work already done with fauna within the company, presenting findings on forest management and fauna conservation. They will use bird studies and other animal classes as reference, as well as research on forest wildlife of other forest companies. Deadline: by the next audit (June 2007)</p>	
<b>Position</b>	
<b>CAR in progress</b>	

<b>CAR 2005-02 (minor)</b>	<b>Reference: FSC P6.c3 e P8.c2</b>
<p>DURATEX S.A. shall present, by December 2005, programs to intensify, and a commitment to ensure adequate human and material investments, to carry out the following activities:</p> <ul style="list-style-type: none"> <li>▪ Studies on “clearing dynamics”;</li> <li>▪ Studies on the “border effect”;</li> <li>▪ Fauna and flora monitoring at the company’s FMUs;</li> <li>▪ Definition of fragmentation and connectivity indices for the natural ecosystems at its FMUs;</li> </ul> <p>The partial results for those programs shall be presented at every Annual Audit.</p>	
<b>Company actions/auditor comments</b>	
<p>During the 2006 audit direction was established for the execution of work in 2 pilot study areas: Agudos and Lençóis Paulista. In September 2006 the following work proposal was presented:</p> <p>a) Elect as pilot study areas the Mata de Torre in Agudos and the Matão Reserve in Lençóis Paulista. Look for academic direction. In these areas it’s possible to study clearings, border effect, and natural regeneration.</p> <p>b) Await research results on floristics and phyto-sociology in native vegetation reserves in Fazenda Monte Alegre, using aerial images, done by biologist Debora Lemos, doctorate overseen by Prof<sup>a</sup></p>	

Vera Lex of UNESP/Botucatu. For the next audit, elaborate an analysis of the flora work already developed by the company, presenting conclusions related to the forest management. This is to be done by the Duratex technical team.
c) Develop an operational monitoring project for flora and fauna, in the months of July (winter), and January/February (summer). Direction of the work will be done by the Duratex technical team, with support from trainees and forest operators of the unit. Elect six pilot fazendas for monitoring: 1) Monte Alegre, 2) Rio Claro, 3) Rincão do Pinhal, 4) São Pedro da Terra Nova, 5) Rio das Pedras e 6) Santa Maria II and plan that two of them will be monitored each year;
d) Produce a picture with fragmentation of areas as index (use as reference the formula of the Forest Institute and work of Profª Cecília/Unicamp to do Fazenda Rio Claro). Consider using a bibliography to discuss connectivity indices. Deadling: by the next audit (June 2007)
<b>Position</b>
<b>CAR in progress</b>

<b>CAR 2005-03 (minor)</b>	<b>Reference:</b> FSC P6c4 e P10c5
Conclude, until the first annual audit, all reclassification maps for the company's preservation areas and complete the entire ground reality analysis. Until December 2006, all maps must have been corrected and presented in their final format to allow the planning of environmental management activities	
<b>Company actions/auditor comments</b>	
During the 2006 audit maps with ample legends were presented. A reduction in the number of legends was requested. Duratex proposed the following legend: a) Forest, b) Fields and enclosures, c) Eucalypt and Pine, d) Open areas. CAR extended until 2007 audit.	
<b>Position</b>	
<b>CAR in progress</b>	

<b>CAR 2005-04 (minor)</b>	<b>Reference:</b> FSC P.c1, P1.c7, P6.c4 e P10 c5
Implement the preservation area expansion program, including the commitment to expand Legal Reserve areas by 280 ha at every 3 years (in 2006 and 2009).	
<b>Company actions/auditor comments</b>	
In 2006 the area incorporated increased by the foreseen 280 ha. In 2009 the company should present the expanded area in the next 3 years.	
<b>Position</b>	
<b>CAR complete up to date</b>	
<b>Auditors' final observations:</b> in 2009 the company should present the expanded area for the next 3 years.	

<b>CAR 2005-05 (minor)</b>	<b>Reference:</b> FSC P1c7; P6c4; p10c5.e P10 c6
Review, by December 2005, the complete hydrographic network and wanting PPA areas. Present a summary by farm of the areas that should be recovered, together with a schedule of activities (P6c4), which should be carried out at the first harvest/reformation; Include the graphical scale and crosshairs containing UTM coordinates on the map	
<b>Company actions/auditor comments</b>	
In the 2006 audi the maps were presented with all lacking PPAs that should be improved by the next revision.	

<b>Position</b>
<b>CAR complete</b>

<b>CAR 2005-06 (minor)</b>	<b>Reference:</b> FSC P6c11
Prepare, by December 2005, informative material on the application of all pesticides used by the company, and present a dissemination plan for 2006 (P6c11).	
<b>Company actions/auditor comments</b>	
DURATEX elaborated and distributed informational material on the applications of pesticides utilized by the company.	
<b>Position</b>	
<b>CAR closed.</b>	

<b>CAR 2005-07 (minor)</b>	<b>Reference:</b> FSC <i>PI.c4</i>
Implement the 2005/2006 managerial training program on environment involving themes about biodiversity conservation and sustainability of ecosystems, presenting a summary of trainings at the annual audit	
<b>Company actions/auditor comments</b>	
The program was elaborated for 2005-2007. In October 2005, a training was done on <b>Environmental Management Systems, evaluation of environmental aspects, and environmental audit</b> . In May 2006 they did an <b>Internal Seminar on Conservation Biology – I</b> . 2 more seminars are foreseen for 2007 as well as 2 internal seminars on Conservation Biology.	
<b>Position</b>	
<b>CAR closed</b>	

<b>CAR 2005-08 (minor)</b>	<b>Reference:</b> FSC - P9c4
Prepare a project, until December 2005, for the periodic monitoring of primates at Reserva do Matão (High Conservation Value Area). This project should provide for a adequate human and material counterpart to ensure project success. The project should be implemented starting in January 2006.	
<b>Company actions/auditor comments</b>	
During the 2006 audit a high cost project was presented. In agreement with SCS, the survey can be simplified in regards to the project presented, done by UFPR. It can be done by a lower cost method, without necessitating radios and monthly studies required by an academic project. With these directions, DURATEX presented a new proposal: register the presence of primates in field surveys conducted by a trained or trainee employee, with direction under the Duratex technical team. Incorporate these observations with the required action items for CAR 2005.02, doing surveys in June, January, and February of each year. Definition of the survey method to be done in consultation with primatologists. Begin the surveys in January, 2007.	
<b>Position</b>	
<b>CAR in progress</b>	

<b>CAR 2005-09 (minor)</b>	<b>Reference:</b> FSC <i>P6c2, P7.c2 e P8.c4</i>
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Define forest management changes, if needed, at the FMU where the endangered species “Pavó” ( <i>Pyroderus scutatus</i> ) has been found, in order to protect this bird species before the next cut is carried out.
<b>Company actions/auditor comments</b>
According to the company, this question was evaluated, and it was concluded that there are no management changes needed in the areas where Pavó presence was verified. The company should elaborate a technical report with considerations that justify the need for no changes in forest management, to be presented at the 2007 audit.
<b>Position</b>
<b>CAR in progress</b>

<b>CAR 2005-10 (minor)</b>	<b>Reference: FSC P10c2</b>
Present, at the 2006 audit, a list of all stands smaller than 25 ha encroached into conservation areas, and define criteria considering costs × environmental advantages of maintaining them as productive areas or transforming them into conservation areas	
<b>Company actions/auditor comments</b>	
In the 2006 audit the company demonstrated that in practice, they’re already implementing actions to correct border effect, and improvement of the form factor for conservation areas, eliminating plantings encroaching on conservation areas. Also corridors are being implemented to improve connectivity between fragments of native vegetation.	
<b>Position</b>	
<b>CAR closed</b>	

<b>CAR 2005-11 (minor)</b>	<b>Reference: FSC P10c2</b>
Reduce, by the 2006 audit, the width of the road located between stands 34 and 60A-B at Fazenda Rio Claro, along the stretch that cuts through Reserva do Matão	
<b>Company actions/auditor comments</b>	
The company corrected this, and this stretch was visited by the auditors in 2006.	
<b>Position</b>	
<b>CAR closed</b>	

<b>CAR 2005-12 (minor)</b>	<b>Reference: FSC P5.c5. ; P6.c1; P10.c2</b>
DURATEX must implement by the 2007 annual audit, a pilot system adopting micro-drainage basin as a planning unit, in one FMU to be chosen by the company, aiming to determinate operational procedures that permits biodiversity, soil and water conservation	
<b>Company actions/auditor comments</b>	
The deadline has not yet expired and the company had only done some preliminary work on this CAR.	
<b>Position</b>	
<b>CAR in progress</b>	

**Recommendations:**

<b>REC 2005-01</b>	<b>Reference: FSC P5c2i1</b>
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Analyze the potential for the creation of lumber sources for multiple uses at the company's south region, especially in Buri, in order to help in the creation of log supplying alternatives for sawmills that exist in the region.
<b>Company actions/auditor comments</b>
The company analyzed this possibility and concluded that the only source of wood for multiple uses would be the material that's being harvested in the conservation areas, which is already being sold in the regional market. The wood produced in the commercial areas continues to be destined exclusively for the supply of the company's factories. The company is still not self-sufficient in raw material, acquiring in the market 10% of the volume consumed in plants. Therefore, Duratex does not make use of these areas for this purpose.
<b>Position</b>
<b>REC closed</b>

<b>REC 2005-02</b>	<b>Reference:</b> FSC P5c2i3
Analyze the possibility of managing areas for the production of timber for sawmills; leaseholdings for honey production; and leaseholdings of lands under high-tension power lines for agricultural production, aimed at the creation of new income generation opportunities in those regions.	
<b>Company actions/auditor comments</b>	
In relation to wood for the mill, the material harvested from the conservation areas is temporarily being sent to this market. The rest of the items are not being analyzed by the company, there is still a great difficulty in finding good partners.	
<b>Position</b>	
<b>REC incomplete</b>	

<b>REC 2005-03</b>	<b>Reference:</b> FSC P5c3i2
Evaluate the cost/benefit ratio of leaving eucalyptus bark in the field, with regard to soil fertility and energy gain.	
<b>Company actions/auditor comments</b>	
The company evaluated the possibility of leaving eucalyptus bark in the field and concluded that such a practice is not viable, since they would have to attain mobile debarkers, with a high cost of equipment, machinery, labor, etc. Also, the Botucatu plant is using the bark in the manufacture of its products.	
<b>Position</b>	
<b>REC closed</b>	

<b>REC 2005-04</b>	<b>Reference:</b> FSC P4c6
Evaluate the potential for the implementation of a volunteer program within the company.	
<b>Company actions/auditor comments</b>	
Some social activities continue being developed by the own initiative of some of the Duratex employees, with support from the company. The company is collecting information to evaluate the possibility of a more structured method.	
<b>Position</b>	

<b>REC incomplete</b>
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<b>REC 2005-05</b>	<b>Reference:</b> FSC P1c3
Include, in the training activities related to the forest activity, notions on environmental laws and International Agreements of which Brazil is a signatory, as expressed in P1.c3.	
<b>Company actions/auditor comments</b>	
Environmental legislation is discussed at each training and in 2006-2007 a course will be given specifically on evaluation of environmental impacts.	
<b>Position</b>	
<b>REC partially complete</b>	

### 6.1.5 New Corrective Action Requests and Recommendations

Based on the results of this audit, the auditor concluded that the following conditions and recommendations are necessary to the company's continued conformance:

<b>Background/Justification:</b> The safety technicians and those in charge of harvesting activities should know safe techniques for tree harvest to be able to evaluate the operation and follow the correct procedures. The auditor noted a lack of knowledge of safe felling on the part of some safety technicians taking care of felling of trees with chainsaws.	
CAR 2006-01	In 30 days, train the safety technicians and the silviculture supervisors on safe felling techniques with chainsaws.
Reference	FSC P4c2C
Deadline	30 days
<b>Company Actions/Auditor Comments:</b> The training was done with all the technicians and supervisors responsible for coordinating teams that fell trees with chainsaws. The training log should be presented in the 2007 audit.	
<b>Position at end of reporting</b>	
<b>CAR closed</b>	
<b>Final observations:</b> Proof of training should be presented at the 2007 audit.	

<b>Background/Justification:</b> Felling of trees outside standard techniques is a risk to the safety and health of the forest workers. In one of the work sites, inadequate use of a chainsaw was detected during felling. It is necessary to monitor and control these techniques.	
CAR 2006-02	In 30 days, present a proposal for continuous evaluation of techniques used by chainsaw operators in the safe felling of trees, by safety technicians as well as supervisors.
Reference	FSC P4c2C
Deadline	30 days

<p><b>Company Actions/Auditor Comments:</b> A specific procedure was elaborated: “<i>Safety in Chainsaw Harvesting Operations for Contractors and Clients</i>”. This procedure, already in place, complements two others already in existence: “<i>Criteria for Verification of Documents for Clients and Contractors</i>” and “<i>Environmental and Work Safety Precautions for Contractors and Clients</i>”. Summary of the procedure: Safety in chainsaw harvesting operations, done by contractors and clients, is the responsibility of the Safety Technician and Supervisor of the operation, in each unit. Monthly evaluations will be done of the technical employess, and of the safety measures adopted by the chainsaw operators. Monthly reports will be written to log conformities and non-conformities. Corrective actions for non-conformities will accompany the logs. The Unit Managers have the final decision in the advocated processes.</p>
<p><b>Position</b></p>
<p><b>CAR closed</b></p>

<p><b>Company Actions/Auditor Comments:</b> Trainings for chainsaw operators should be done in appropriate format: including a practical part (safety techniques for tree felling) and to be recognized by the Labor Ministry (company legally qualified – SENAR or credentialled companies).</p>	
<p>CAR 2006-03</p>	<p>In 30 days include in contracts with EPSs that harvest with chainsaws or companies that buy wood on foot, that trainings for chainsaw operators need to be adequately done by a legally qualified company.</p>
<p>Reference</p>	<p>FSC P4c2D</p>
<p>Deadline</p>	<p>30 days</p>
<p><b>Company Actions/Auditor Comments:</b> As described in the CAR above these elements were incorporated into the contracts.</p>	
<p><b>Position</b></p>	
<p><b>CAR closed</b></p>	

### 6.1.6 Conclusions of the 2006 Annual Audit

The evaluation of Principles 5, 7, and 10 demonstrates that the company is attending to the requirements for FSC Forest Certification. There were few points that needed correction. Special attention should be given in the area of safety, more specifically in the harvesting activities, in felling of trees with chainsaws, which needs to be done in accordance with adequate safety techniques.

## 6.2 2007 Annual Audit

### 6.2.1 – Assessment Dates

- Original Certification, field audit: January 9-12, 1995
- 5-year Recertification, field audit: May 15-19, 2000
- 10-year Recertification, field audit: March 14-18, 2005
- 1st annual audit since 10-year, field audit: June 28-30, 2006
- 2nd annual audit since 10-year, field audit: July 30 – August 03, 2007

## 6.2.2 – Auditores

**Vanilda R. S. Shimoyama** - Forest engineer and M. Sc. in Wood Technology, with over 16 years of professional experience, working as a researcher, consultant and advisor for the private sector in Brazil. In consulting and providing services for the industrial sector, she developed and implemented integration programs between Forestry and Industry, aimed at improving the quality of the final product and reduction of production costs. Also, she developed adequacy and optimization studies and programs for raw materials and industrial processes, as well as use of residues. She developed and implemented monitoring programs of the technological characteristics of wood and created quality standards for Pinus logs for different market segments. In the forestry sector, she created standards for silvicultural activities and log harvest; she also developed, implemented and managed quality programs in forest activities; she developed research about increasing forest productivity and improving wood quality. In the environmental sector, she carried out studies and developed programs to minimize the environmental impacts caused by the forest activities; she developed and implemented a program for management of residues generated by the forest activities, as well as standards for the use of chemicals and introduction of new products; she coordinated studies about natural fragments (phytosociology) and projects for the recovery of degraded areas, studies, surveys and monitoring of fauna. In the social area, she developed programs of human resources qualification - training and recycling programs involving issues such as productivity, quality, work safety and environment; she developed projects, implemented and carried out environmental education programs for the schools in the Northern region of the State of Paraná, for schools of neighboring communities and people who work at companies around the region. She participated in the SCS certification process of two units of forest plantation management and 12 processes of chain of custody certification.

## 6.2.3 - O Processo de Avaliação

The annual audit activities began in July 30. In this day, the Missioneira farm was visited, where the stock of chemical products and package return were assessed. On the Santa Maria I farm the auditor assessed the semi-mechanized harvesting activities, including fell trees, cutting of branches, cross-cutting, removal, loading and wood transportation.

The workers, such as machine operators, assistants and field workers were interviewed. It was also assessed the PPAs and LRs conservation and the status of the exotic species removal program, and the road network conservation.

On the day 31, the Santo Antonio, Angatuba 04 and Lobo farms were visited. The employee's documentation was assessed, as well as medical exams, according to the labor legislation. On the Pitangueira farm the auditor assessed the road conservation and the development of commercial plants. On the Primavera farm, the exotic species removal from conservation areas and the place for capturing bees for apiculture were also assessed. On the afternoon, the audit was conducted on the office, evaluating documents of employees, company's running activities as well as the CAR's status.

On the day August 1, the auditor visited the Morro de Ouro farm, where the soil preparation, planting, irrigation, road conservation, PPAs revision and exotic species removal from conservation area were assessed. On the Rincao do Pinhal farm, the storage of chemical products and its control were assessed, as well as the damaged areas revision program and the species used.

On the day 2 by the morning, the general evaluation was conducted, and on the afternoon a closing meeting was held to present and discuss the results.

#### 6.2.4 – Status of CARs and Recommendations

CARs:

<b>CAR 2005-01 (minor)</b>	<b>Reference: FSC P6.c1</b>
<p>Prepare, until December 2005, an environmental impact study project for the forest operation of timber cutting and extraction, at least for two of the regions where the company maintains activities (Agudos/Lençóis - Itapetininga), planning for a quantitative analysis of mammalian and bird faunas by specialists, one year prior to and one and three years after the forest operations. This project must contemplate a suitable financial counterpart from DURATEX S.A. to ensure project success. The plan must be implemented upon presentation. DURATEX should assure the necessary human and materials for the project success.</p>	
<b>Company's Actions/Auditor's Observations</b>	
<p>In the 2006 audit they presented a project to complete this CAR, however due to the high cost, new directions were discussed, where the company should present by September 15, 2006 a new work proposal, concentrating on one pilot area (for example, Lençóis Paulista). By the next audit (2007) Duratex should organize an analysis of the fauna survey work already done by the company, presenting conclusions on the impacts of plantation management on forest wildlife conservation. Duratex presented the following guidance proposals:</p> <p>a) Conduct research on the influence of Eucalypt management on forest wildlife, using bats as mammal indicators. The research will be conducted in partnership with the university. Project will be done in the Fazenda Rio Claro. The study will commence in the field the first semester of 2007.</p> <p>b) Conclude research on the brown jaguar, in search of information on conservation of fauna in reforested areas. Project to be developed in Agudos and Lençóis Paulista. Conclusion foreseen for 2007, with technical and scientific support by biologist Leonardo Siqueira Mendonça, Master of Ecology, directed by Prof<sup>a</sup> Eleonora Setz from the Laboratório de Ecologia e Comportamento de Mamíferos do Departamento de Zoologia of UNICAMP.</p> <p>c) The Duratex technical team will do a literature review on work already done with fauna within the company, presenting findings on forest management and fauna conservation. They will use bird studies and other animal classes as reference, as well as research on forest wildlife of other forest companies. Deadline: by the next audit (June 2007).</p> <p>On the 2007 audit it was verified that:</p> <p>a) The company presented a research plan called “The dynamic of the bat community (Mammalia, Chiroptera) on reforestation areas and on natural vegetation of the Rio Claro farm, Lençóis Paulista-SP” which will be conducted by a technical team from UNESP. The activities will begin in August 2007 and should be assessed on the 2008 audit; b) The research on the fauna conservation in reforestation areas was not concluded until the 2007 audit and it will be assessed in 2008; c) A list of actions relating to fauna was presented, along with an analyzes and a conclusion. This</p>	

document will be evaluated on the 2008 audit.
<b>Position at the end of this audit</b>
<b>CAR in progress</b>

<b>CAR 2005-02 (minor)</b>	<b>Reference:</b> FSC P6.c3 e P8.c2
<p>DURATEX S.A. shall present, by December 2005, programs to intensify, and a commitment to ensure adequate human and material investments, to carry out the following activities:</p> <ul style="list-style-type: none"> <li>▪ Studies on “clearing dynamics”;</li> <li>▪ Studies on the “border effect”;</li> <li>▪ Fauna and flora monitoring at the company’s FMUs;</li> <li>▪ Definition of fragmentation and connectivity indices for the natural ecosystems at its FMUs;</li> </ul> <p>The partial results for those programs shall be presented at every Annual Audit.</p>	
<b>Company’s Actions/Auditor’s Observations</b>	
<p>During the 2006 audit direction was established for the execution of work in 2 pilot study areas: Agudos and Lençóis Paulista. In September 2006 the following work proposal was presented:</p> <p>a) Elect as pilot study areas the Mata de Torre in Agudos and the Matão Reserve in Lençóis Paulista. Look for academic direction. In these areas it’s possible to study clearings, border effect, and natural regeneration.</p> <p>b) Await research results on floristics and phyto-sociology in native vegetation reserves in Fazenda Monte Alegre, using aerial images, done by biologist Debora Lemos, doctorate overseen by Prof<sup>a</sup> Vera Lex of UNESP/Botucatu. For the next audit, elaborate an analysis of the flora work already developed by the company, presenting conclusions related to the forest management. This is to be done by the Duratex technical team.</p> <p>c) Develop an operational monitoring project for flora and fauna, in the months of July (winter), and January/February (summer). Direction of the work will be done by the Duratex technical team, with support from trainees and forest operators of the unit. Elect six pilot fazendas for monitoring: 1) Monte Alegre, 2) Rio Claro, 3) Rincão do Pinhal, 4) São Pedro da Terra Nova, 5) Rio das Pedras e 6) Santa Maria II and plan that two of them will be monitored each year;</p> <p>d) Produce a picture with fragmentation of areas as index (use as reference the formula of the Forest Institute and work of Prof<sup>a</sup> Cecília/Unicamp to do Fazenda Rio Claro). Consider using a bibliography to discuss connectivity indices. Deadling: by the next audit (June 2007)</p> <p>On the 2007 audit, it was presented a proposal for technical partnership between UNESP e DURATEX, for development of projects on vegetation dynamism. Two areas were established for the study: Mata da Torre III at Agudos, and the Reserva do Matão, at Lençóis Paulista. According to the schedule, it should start in August 2007, and should be assessed on the 2008 annual audit</p>	
<b>Position at the end of this audit</b>	
<b>CAR in progress</b>	

<b>CAR 2005-03 (minor)</b>	<b>Reference:</b> FSC P6c4 e P10c5
<p>Conclude, until the first annual audit, all reclassification maps for the company’s preservation areas and complete the entire ground reality analysis. Until December 2006, all</p>	

maps must have been corrected and presented in their final format to allow the planning of environmental management activities.
<b>Company's Actions/Auditor's Observations</b>
During the 2006 audit maps with ample legends were presented. A reduction in the number of legends was requested. Duratex proposed the following legend: a) Forest, b) Fields and enclosures, c) Eucalypt and Pine, d) Open areas. CAR extended until 2007 audit. On the 2007 audit, it was found that the company hired a professional to work on the digital cartography. The company expects to conclude it in six months. This CAR will be replaced by the CAR 2007-05.
<b>Position at the end of this audit</b>
<b>CAR fullfiled</b>

<b>CAR 2005-04 (minor)</b>	<b>Reference:</b> FSC <i>P.c1, P1.c7, P6.c4 e P10 c5</i>
Implement the preservation area expansion program, including the commitment to expand Legal Reserve areas by 280 ha at every 3 years (in 2006 and 2009).	
<b>Company's Actions/Auditor's Observations</b>	
In 2006 the area incorporated increased by the foreseen 280 ha. In 2009 the company should present the expanded area in the next 3 years. During the 2007 audit, it was verified that with the acquisition of a new area, the company could anticipate the 2009 expansion, which fulfills the program until 2013. Given that, this CAR is closed and replaced by the CAR 2007-06.	
<b>Position at the end of this audit</b>	
<b>CAR fullfiled</b>	

<b>CAR 2005-07 (minor)</b>	<b>Reference:</b> FSC <i>P1.c4</i>
Implement the 2005/2006 managerial training program on environment involving themes about biodiversity conservation and sustainability of ecosystems, presenting a summary of trainings at the annual audit	
<b>Company's Actions/Auditor's Observations</b>	
The program was elaborated for 2005-2007. In October 2005, a training was done on <b>Environmental Management Systems, evaluation of environmental aspects, and environmental audit</b> . In May 2006 they did an <b>Internal Seminar on Conservation Biology – I</b> . 2 more seminars are foreseen for 2007 as well as 2 internal seminars on Conservation Biology. During the 2007 audit, it was presented summaries and records of training on Conservation of biodiversity for fauna and flora.	
<b>Position at the end of this audit</b>	
<b>CAR fullfiled</b>	

<b>CAR 2005-08 (minor)</b>	<b>Reference:</b> FSC - P9c4
Prepare a project, until December 2005, for the periodic monitoring of primates at Reserva do Matão (High Conservation Value Area). This project should provide for a adequate human and material counterpart to ensure project success. The project should be implemented starting in January 2006.	

<b>Company's Actions/Auditor's Observations</b>
<p>During the 2006 audit a high cost project was presented. In agreement with SCS, the survey can be simplified in regards to the project presented, done by UFPR. It can be done by a lower cost method, without necessitating radios and monthly studies required by an academic project. With these directions, DURATEX presented a new proposal: register the presence of primates in field surveys conducted by a trained or trainee employee, with direction under the Duratex technical team. Incorporate these observations with the required action items for CAR 2005.02, doing surveys in June, January, and February of each year. Definition of the survey method to be done in consultation with primatologists. Begin the surveys in January, 2007.</p> <p>During the 2007 audit it was presented the partial results of field observation. The activity is being followed by professionals from UNESP, whose will present a new project for primates and other fauna elements. This CAR will be evaluated again on the 2008 audit.</p>
<b>Position at the end of this audit</b>
<b>CAR in progress</b>

<b>CAR 2005-09 (minor)</b>	<b>Reference:</b> FSC P6c2, P7.c2 e P8.c4
<p>Define forest management changes, if needed, at the FMU where the endangered species "Pavó" (<i>Pyroderus scutatus</i>) has been found, in order to protect this bird species before the next cut is carried out.</p>	
<b>Company's Actions/Auditor's Observations</b>	
<p>According to the company, this question was evaluated, and it was concluded that there are no management changes needed in the areas where Pavó presence was verified. The company should elaborate a technical report with considerations that justify the need for no changes in forest management, to be presented at the 2007 audit.</p> <p>A report was presented containing an evaluation of possible impacts of forest management over the "Pavó", concluding that it is not necessary make any changes on the forest management to protect this specie, given that: a) the bird, independently of the management, continues present on the area; b) the company has increased the native areas of PPAs and RLs, providing better conditions for this specie's survivor.</p>	
<b>Position at the end of this audit</b>	
<b>CAR closed</b>	

<b>CAR 2005-12 (minor)</b>	<b>Reference:</b> FSC P5.c5. ; P6.c1; P10.c2
<p>DURATEX must implement by the 2007 annual audit, a pilot system adopting micro-drainage basin as a planning unit, in one FMU to be chosen by the company, aiming to determinate operational procedures that permits biodiversity, soil and water conservation.</p>	
<b>Company's Actions/Auditor's Observations</b>	
<p>On the 2007 audit the company presented the project called "Torre de Fluxo", which was developed in partnership with IPEF (Forest Studies and Research Institute) and will be implemented on the Americana farm. The area of 924 ha includes a large forest area belonged to other companies. The project implementation has its beginning predicted to September 2007 and it will be assessed on the 2008 audit.</p>	
<b>Position at the end of this audit</b>	

**CAR in progress, with deadline extended to the 2008 audit.**

**Recommendations:**

<b>REC 2005-02</b>	<b>Reference:</b> FSC P5c2i3
Analyze the possibility of managing areas for the production of timber for sawmills; leaseholdings for honey production; and leaseholdings of lands under high-tension power lines for agricultural production, aimed at the creation of new income generation opportunities in those regions.	
<b>Company's Actions/Auditor's Observations</b>	
In relation to wood for the mill, the material harvested from the conservation areas is temporarily being sent to this market. The rest of the items are not being analyzed by the company, there is still a great difficulty in finding good partners. On the 2007 audit it was presented the realization of the honey production project at Itatinga. The bees were captured and forwarded to the apiculture area.	
<b>Position at the end of this audit</b>	
<b>REC fullfiled</b>	

<b>REC 2005-04</b>	<b>Reference:</b> FSC P4c6
Evaluate the potential for the implementation of a volunteer program within the company.	
<b>Company's Actions/Auditor's Observations</b>	
Some social activities continue being developed by the own initiative of some of the Duratex employees, with support from the company. The company is collecting information to evaluate the possibility of a more structured method. On the 2007 audit the company presented its effort to turn the volunteer program into a mandatory program, to have all the employees involved. The auditor agrees with the company and considers this recommendation closed.	
<b>Position at the end of this audit</b>	
<b>REC fullfiled</b>	

<b>REC 2005-05</b>	<b>Reference:</b> FSC P1c3
Include, in the training activities related to the forest activity, notions on environmental laws and International Agreements of which Brazil is a signatory, as expressed in P1.c3.	
<b>Company's Actions/Auditor's Observations</b>	
Environmental legislation is discussed at each training and in 2006-2007 a course will be given specifically on evaluation of environmental impacts. On the 2007 audit, it was verified that the company has inserted these laws on the activities and operational recommendations. This information has been presented and discussed on environmental trainings conducted by the company.	
<b>Position at the end of this audit</b>	
<b>REC fullfiled</b>	

## 6.2.5 New CARs and Recommendations

Based on the results of this audit, the auditor concluded that the following conditions and recommendations are necessary to the company's continued conformance:

CARs:

<b>Background/Justification:</b> The company has records of chemical products utilization, however, it should be organized in a spreadsheet in order to emphasize the control of quantities of product acquired, consummated, in stock and return of packages.	
<b>CAR 2007-01 (minor)</b>	Implement the chemical products control and package return in a spreadsheet, linking the receipt of inputs, the consumption, and packages return. Deadline: 2009 audit
<b>Reference</b>	FSC P6c6i2; P6c7
<b>Deadline</b>	2008 to present the spreadsheet and 2009 to corporative system (under development)

<b>Background/Justification:</b> The conduction of manual harvest activities on rugged terrain with underbrush relatively developed was found, which represents risks to workers. The operational procedures shall give specific orientation for rugged terrains with the presence of underbrush and with trees of bigger diameter.	
<b>CAR 2007-02 (minor)</b>	Implement procedures for previous security evaluation on harvest activities on regeneration areas (LRs and PPAs), considering all the possible risks and accidents and its mitigation measures, including the tree hunting technique for different sizes.
<b>Reference</b>	FSC P4c2C e D
<b>Deadline</b>	30 days
<b>Company's Actions/Auditor's comments</b>	
Duratex required compliance by the Safety at Work department on the following instructions contained in documents:	
<p><b>1) Criteria for Clients and Contractors Documents Verification</b>, which requires that contractors and clients shall be attentive to safety at work rules, proceeded from qualified organizations, and its employees shall go through a integration process on the contractor's safety area before the beginning of activities, in order to be oriented in case the necessity of safety aspects compliance, as well as Safety at Work Instructions (IST) n° 21.</p> <p><b>2) Safety at Work Instructions – Chainsaw operations, n° 24</b>, in which contains instructions towards to reduce, neutralize or eliminate attitudes and conditions that may cause work accidents on the chainsaw operations.</p>	
<b>Position until the report date</b>	
<b>CAR closed (it will be verified on 2008)</b>	

<b>Background/Justification:</b> The São Pedro and São Francisco farms, recently prepared and implemented, suffered significantly soil movement because of the previous management. It could be observed the non stabilization of the soil, which needs a better monitoring and fixes. The problem is aggravated by erosion coming from farms next to the area.	
<b>CAR 2007-03 (minor)</b>	Implement procedures for soil conservation practices on São Pedro and São Francisco farms on the Agudo region. Include on this program solutions for gullies derived from farms next to the area, as well as the participation of governmental organizations and soil conservation responsible. <b>Deadline:</b> 2008 Audit
<b>Reference</b>	FSC
<b>Deadline</b>	2008 audit

<b>Background/Justification:</b> The Santo Antônio do Palmital farm, recently included on the certification scope, need PPA revision in some spots.	
<b>CAR 2007-04 (minor)</b>	Conduct the PPAs revision on the Santo Antônio do Palmital farm during the Eucalyptus trees sprouting activity, estimated to be conducted in 2010.
<b>Reference</b>	FSC P1c1i1; P6c4i1
<b>Deadline</b>	December 2010

<b>Background/Justification:</b> Duratex is finishing the work on reclassification of vegetations from conservation areas. However, it was found the necessity of review the cartographic base in some maps.	
<b>CAR 2007-05 (minor)</b>	Review all the cartographic base generated on the company's conservation areas characterization, and present the reviewed maps.
<b>Reference</b>	FSC P6c4 e P10c5
<b>Deadline</b>	Auditoria de 2008

<b>Background/Justification:</b> Duratex has been efficiently developing the Recomposition Plan for Legal Reservation, which from now on will be monitored by SGI.	
<b>CAR 2007-06 (minor)</b>	Include the Recomposition Plan for Legal Reservation on the Management Plan to be monitored by the SGA (it can be attached since it is considered strategic document)
<b>Reference</b>	FSC P1c1i1; P1c7; P6c4 e P10c5
<b>Deadline</b>	31 de agosto de 2008
<b>Company's Actions/Auditor's comments</b>	
The Recomposition Plan for Legal Reservation has been attached to the Forest Management Plan – 2007 version.	
<b>Position until the date of this report</b>	
<b>CAR Fullfiled</b>	

<b>Background/Justification:</b> All the operational activities involving field team shall comply with the NR 31.	
<b>CAR 2007-07 (minor)</b>	Implement restrooms and living area for silviculture workers and residues collectors.
<b>Reference</b>	FSC P1c1i1 (NR 31)
<b>Deadline</b>	October 2007
<b>Company's Actions/Auditor's comments</b>	
According to Duratex, the contractors were oriented to implement restrooms and living area for the workers of silviculture and residues collectors during August 2007.	
<b>Position until the date of this report</b>	
<b>CAR Closed; however, it will be verified in 2008.</b>	

### Recommendations:

<b>Background/Justification:</b> The harvest activities shall be frequently visited by safety technicians, especially when conducted on regeneration areas.	
<b>REC 2007-01</b>	Intensify the visit of safety technicians (Duratex and EPS) on the harvest activities, especially on regeneration areas (RLs and PPAs).

<b>Background/Justification:</b> According to P6c6i6, the company shall monitor the pesticide applicator health.	
<b>REC 2007-02</b>	Evaluate, together with the doctor, the necessity of including complementary exams such as creatinine and cholinesterase, to monitor the hepatic and renal function of chemical products applicators.

## 6.3 2008 Annual Audit

### 6.3.1 Assessment Dates

- First Certification – field audit: January 9/13, 1995
- Five-year period recertification – field audit: May 15/19, 2000
- Ten-year period recertification – field audit: March 14/18, 2005
- First audit (2006) – field audit: June 28/30, 2006
- Second Audit (2007) – field audit: July 30 and August 3, 2007
- Third audit (2008) field audit: August 11/15, 2008.

### 6.3.2 Assessment Team

**Dr. Marcelo Maisonette Duarte** is a biologist graduated at UFRGS. He has more than 20 years of professional experience. He is master in biology at UFRGS. He is doctor in sciences, with emphasis on Ecology and Natural Resources at UFSC.

He is currently coordinator of the Conservation and Management Department of Natural Science Museum, an institute from Zoo botanic Museum from Rio Grande do Sul. He has been a university teacher for more than 15 years and he has worked in several institutes, such as UFRGS, UNISC, FUNDASUL, FACCAT, teaching graduation and

post graduation in Ecology; he has taught several graduation, specialization and master courses. He teaches Environmental Management and Social Responsibility and Ecology at FACCAT, where he is also the Environmental Education project coordinator. He is the editor of two scientific periodicals: *Iheringia, Série Zoologia* (Qualis A – CAPES) e *Revista Colóquio-FACCAT*.

He has been CONSEMA-RS and CECA-RS adviser for two years.

He has coordinated a fauna research group in Rio Grande do Sul. He has coordinated several surveys to elaborate Management Plans for integral preservation units in the southern of Brazil.

**Dr. Jarbas Yukio Shimizu** is a Forest Engineer graduated at Universidade Federal de Viçosa. He is master of Forestry Sciences at Florida University (USA). He is PHD in Forest Genetics at North Carolina University (USA) and pos doctor in Population Genetics at Oregon University (USA). Other trainings include improvements in Forest Germoplasma Conservation and Forest Species Micro Propagation in Japan, Conservation and Use of Phylogenetic Resources in Spain and Environmental Management System Auditor Team Leader intensive course in Brazil. He has more than 30 years in experience in activities such as Development of Forest Research Project in cooperation with IBDF/PNUD-FAO, and subsequently as a researcher for Embrapa Florestas, where he worked in silvicultural area, improving forest genetics and conservation of forest Germoplasm. He was also the leader of several conservation and genetic improvement projects, where he was the Technical Leader of Forest Research National Institute. He has also worked as a consultant in silvicultural and forests improvements of fast growing species for official forest research institutes and for forests organizations in Chile, México, Mozambique and Brazil. He has been ministered intensive forest improvement course at Universidade Nacional de Colombia and at Universidade Estadual do Centro-Oeste (UNICENTRO-Campus de Irati), PR. He has also worked as advisor, co-advisor for several thesis exams for several Forest Engineering master and doctor students at Universidade Federal do Paraná.

### **2.3. The Assessment Process**

The activities related to Duratex's annual audit began on the eleventh of August, 2008. In the morning, the auditors Marcelo M. Duarte (lead auditor) and Jarbas Y. Shimizu arranged a meeting with directors and cooperators at the company's headquarters in Agudos, Sao Paulo state. This meeting marked the official audit opening, in which the chronogram that would be followed was defined. After the meeting, Marcelo M. Duarte audited Fazenda Monte Alegre, in Agudos, where plantation activities were in development in a reformed area – this activity was being developed by the company's cooperators. Pinus trees were being removed from the Permanent Preservation Area by a contractor (Tecnocorte). On the same day, auditor Marcelo M. Duarte assessed the company's Environmental Education Center which is also on Fazenda Monte Alegre, where the main company's environmental program is developed. Then the auditor began to analyze the company's documentation to assess compliance of the CARs and Recommendations that were open.

The auditor Jarbas Y. Shimizu audited Fazenda Rio Claro and Recreio to assess the mechanized harvesting activities. He interviewed several machinery operators and the

harvesting operation leader. Moreover, machinery and chain saw operator and a driver from a service provider company that makes timber transportation were interviewed.

On the twelfth of August, auditor Marcelo M. Duarte audited Fazenda Barionesa (in Duartina municipality) and Fazenda Santa Cândida (in Agudos), which are the new areas that will be included in the certification scope; Fazenda São Pedro and Fazenda São Francisco (in Piratininga) were also audited.

RPPN Olavo Setúbal, on Fazenda. Rio Claro (in Lençóis Paulistas) was visited on this same day – this area has been indicated as High Conservation Value Forest.

On the same date, Jarbas Y. Shimizu audited

1. Fazenda Morro do Ouro, where there were activities to reform the plantation – he interviewed several Duratex's employees and contractors. He has also interviewed supervisors, forest operators, pesticides applicators and chainsaw operators.
2. Fazenda Querência, Invernadinha II and Capão Rico, where he assessed the Permanent Preservation Area conditions.
3. Fazenda Bofete, where harvest timber activities were being developed.

On the thirteenth of August, Marcelo M. Duarte audited the company's Central Seedling Nursery, in Fazenda Monte Alegre and Fazenda Americana (in Itatinga), where an experiment was being performed with other ten forestry companies, universities and national research institutes and a French institute to measure carbon, water and nutrients flow in a 200-hectare pilot area.

On this same date, Jarbas Y. Shimizu audited:

1. Fazendas Rio das Pedras, in Itapetininga – harvest operations were evaluated and a number of workers were interviewed, including supervisors, machinery operators, and workers from the silviculture department (hoe and ant elimination).
2. Fazenda Missioneira – Permanent Preservation Area and a pesticide storage area were inspected.
3. Fazenda São Judas and São Geraldo - Permanent Preservation Area was evaluated.

On the fourteenth of August, Marcelo M. Duarte continued his assessment of the company's documentation (maps, environmental programs results, compliance of CARs and Recommendations, the documentation from the new property was audited).

Jarbas Y. Shimizu spent most part of the day analyzing office documents related to the following subjects:

1. The process to eradicate exotic species from the Permanent Preservation Areas.
2. Space arrangement of the coetaneous plantations.
3. The procedures to develop operational services.
4. Work safety issues.

On the end of the day, both auditors gathered to organize their observations and prepare a general evaluation report for the company.

The closing meeting between the auditor and the company´s directors was held on the fifteenth of August. The assessment results were introduced and discussed at this meeting.

### 6.3.4 Status of Corrective Actions Requested (CARs) and Recommendations (REC).

#### CARs:

<b>Minor CAR 2005-01</b>	<b>Reference:</b> FSC <i>P6.c1</i>
<p>The company shall elaborate up to 2005 audit a project to survey the environmental impacts caused by the forestry operations – cut and removal of timber, at least in two regions where the company develops its activities (Agudos/Lençóis - Itapetininga), including mastofauna and avifauna quantitative analysis – this work shall be conducted by an expert – one year and from one to three years after the forestry operations. This program shall be implanted and followed. Duratex SA must ensure the material and human resources for this project succeeds.</p>	
<p><b>Company´s Measure / Auditor´s Observations</b></p>	
<p>A project was introduced during the 2006 audit to comply with this CAR, however, because of the high cost involved, new guidelines were defined, and the company should introduce up to the fifteenth of September 2006 a new working proposal, concentrating in a single pilot area (e.g. Lençóis Paulista). The organization shall arrange the analysis of the surveys data related to fauna that had been gathered and present the conclusions about the impacts of the plantations management over the preservation of wild fauna.</p> <p>Duratex presented the following proposals:</p> <ol style="list-style-type: none"> <li>1. It will conduct a research about the influence of the Eucalyptus management over the wild fauna, adopting as indicators chiropteran mammals (bats). The research will be conducted in partnership with a university. The project will be carried out in Fazenda Rio Claro.</li> <li>2. It will conclude the onça parda research, seeking information about fauna conservation at the reforestation areas. This project will be held in Agudos and Lençóis Paulista, and it is supposed to be finished in 2007. This project receives technical and scientific support from Leonardo Siqueira Mendonça, a biologist.</li> <li>3. Duratex´s technical team will review the fauna-related surveys that had already been concluded. The avifauna and other animal surveys that had been conducted by the organization will be used as reference, and so will be other wild animal research that had been finalized by other companies.</li> </ol>	
<p><b>Deadline:</b> Next Annual Audit (June 2007).</p>	
<p>The CAR status was verified in the 2007 audit:  The organization introduced a research plan called ‘Dynamic of the Bat Community’ (Mammalia, Chiroptera) in reforestation areas and in natural vegetation in fazenda Rio Claro, Lençóis Paulista-SP – this project will be coordinated by UNESP technical staff. The research was to begin in August 2007 and it will be verified during the 2008 audit.  The research about fauna conservation at the reforestation areas - onça parda project – was not concluded until the 2007 audit and it will be verified in 2008.</p>	

A compilation/ historical of the works that had been carried out about fauna was introduced, including analysis and conclusion by the company. This document will be evaluated and possible corrections will be introduced during the 2008 audit. This document was assessed during 2008 audit and it was replaced by a CAR 2008-08

**Status at the End of this Audit**

CAR closed and replaced by CAR 2008-08

**Minor CAR 2005-02**

**Reference:** FSC *P6.c3 e P8.c2*

DURATEX S.A shall introduce up to December 2005 programs to intensify and commit itself to ensure adequate material and human resources for the following activities:

- Survey about Dynamics of gaps
- Survey about edges effects
- Fauna and flora surveys at the company´s FMUs
- Definition of fragmentation and connectivity index of natural ecosystem at the FMUs.

The partial results of this programs shall be introduced every annual audit.

**Company´s Measure / Auditor´s Observations**

During the 2006 audit, it was determined that two survey pilot areas should be installed in Agudos e Lençóis Paulista. The company introduced the following proposals in September 2006:

- a) Select as survey pilot area Mata da Torre in Agudos and Reserva do Matão, in Lençóis Paulistas. The company would seek academics guidance. The following research will be conducted at these areas: dynamics of gaps, edges effects and natural regeneration.
- b) Await results of the flora and Phytosociologic surveys in Fazenda Monte Alegre native vegetation, using aerial images, conducted by Débora Lemos – a biologist. The company shall elaborate for the next audit an analysis of the flora surveys that had been conducted by the company; it shall present the conclusions related to the farms management.
- c) The organization would develop fauna and flora operational monitoring in July (winter) and January/February (summer). The work will be coordinated by Duratex´s technical team with support from trainees and forest operator from the FMU. The company will choose six pilot areas (farms)
  1. Monte Alegre
  2. Rio Claro
  3. Rincão do Pinha
  4. São Pedro da Terra Nova
  5. Rio das Pedras, and
  6. Santa Maria II

These areas shall be monitored every year.

- d) The organization shall prepare a table with the fragmentation index of the company´s areas (it must take as reference the formula from Instituto Florestal and research conducted by professor Cecília (UNICAMP) which was conducted on Fazenda Rio

Claro). The company shall consider bibliography to discuss the connectivity indexes.
<b>Deadline:</b> next annual audit (June 2007).
During the 2007 audit, a proposal was introduced about a technical cooperation between UNESP and Duratex for the development of research project for awareness of the dynamic of the vegetation (population dynamics, gap dynamics and edge effect) of forest fragments in Duraflora, in Agudos e Lençóis Paulista, São Paulo State. Two areas have been chosen for the pilot area research: Mata da Torre III in Agudos e a Reserva do Matão, in Lençóis Paulista. According to the chronogram presented, the surveys will begin in August 2007, and it will be assessed during the 2008 annual audit.
The CAR was assessed during the 2008 audit and it was replaced by CAR 2008-08
<b>Status at the End of this Audit</b>
CAR closed and replaced by CAR 2008-08

<b>Minor .CAR 2005-08</b>	<b>Reference:</b> FSC - P9c4
The company shall elaborate a report up to December 2005 a periodic primate monitoring program at Reserva do Matão (High Conservation Value Forest). This project shall include adequate material and human resources to ensure its success. The project shall be implanted from January 2006 on.	
<b>Company´s Measure / Auditor´s Observations</b>	
The company introduced a very expensive project during the 2006 audit. According to SCS, the survey may be simpler than the project that had been presented by the organization and elaborated by UFPR. This can be achieved using less expensive methods, without requiring radio acquisition and monthly surveys required by an academic project. After this guidance, Duratex presented a new proposal: it would register the presence of primate during field surveillance that would be carried out by a trained employee or trainee oriented by Duratex´s technical staff. The organization shall incorporate these observations to the issues related to CAR 2005.02 – the surveys would be conducted in July, January and February every year. The organization shall define the methods that will be employed to consolidate the primate survey. The surveys shall start in January 2007.	
The partial results of the field observations were introduced during 2007 audit. The workers have been followed by UNESP professionals – they will introduce a proposal to develop a primate and other fauna individual survey. This CAR will be reevaluated during the 2008 annual audit.	
This CAR was evaluated in 2008, and it was subsequently replaced by CAR 2008-08	
<b>Status at the End of this Audit</b>	
CAR closed and replaced by CAR 2008-08	

<b>Minor CAR 2005-12</b>	<b>Reference:</b> FSC P5.c5. ; P6.c1; P10.c2
DURATEX shall implant up to 2007 annual audit a <u>pilot system</u> , adopting a watershed as plan unit in one FMU that will be chosen by the company. This project is meant to determine operational procedures that will allow soil, water and biodiversity conservation.	
<b>Company´s Measure / Auditor´s Observations</b>	
The company introduced a project called “Flow Tower” that had been developed in partnership with IPEF (Forestry Survey and Research Institute) that will be installed on Fazenda Americana. The 924-ha land will be increased by a massive forestry that belongs to	

other companies. The implantation of this project is supposed to begin in September 2007 and it will be verified during the 2008 annual audit. During the 2008 audit....
<b>Status at the End of this Audit</b>
CAR complied, project under development.

<b>Background/Justification:</b> The company has information about the use of chemical products; however, it is necessary to organize the data in an Excel document to demonstrate that there is a control in the quantity of purchased product, product consumed, and product available in storage and packages returned.	
<b>Minor CAR 2007-01</b>	The company shall implant a system to control chemical products and return of containers in an Excel spreadsheet, linking the product invoice, consumption and return of containers. Deadline: 2009
<b>Reference</b>	FSC P6c6i2; P6c7
<b>Deadline</b>	2008 for presentation in Excel spreadsheet CAR complied
<b>Company 's Measure / Auditor 's Observations</b>	
Duratex has introduced the control system in Excel spreadsheet.	
<b>Status at the End of this Audit</b>	
CAR complied, project under development.	

<b>Background/Justification:</b> It was verified manual harvesting activities in steep and relatively developed understorey; such conditions are more risky for workers. Operational procedures shall be developed to alert the precautionary measures that shall be adopted when harvesting timber at these stiff areas with more vegetation (understorey and regeneration of native forests) and/or in trees that have a bigger diameter.	
<b>Minor CAR 2007-02</b>	The organization shall develop procedures to evaluate the safety level for the harvesting activities in regeneration areas (Legal Reserves and Permanent Preservation Areas, taking into account the possible risks of accidents and attenuating measures, including techniques to fell trees with different standards and techniques.
<b>Reference</b>	FSC P4c2C e D
<b>Deadline</b>	30 days
<b>Company 's Measure / Auditor 's Observations</b>	
Duratex requested that its Safety Department monitored conformance with the instructions provided at the following documents:	
<p><b>1.Criteria for Verification of Documents from Clients and Contractors:</b> Thos document determines that the clients and contractors must observe the working safety requirements from the governing body and their employees shall pass through a safety integration process before they effectively begin to develop their activities so that they can receive instructions about the necessity to comply with the safety aspects and receive work-safety instructions.</p> <p><b>2. Work-Safety Instructions for Chainsaw Operator:</b> this document contains instructions to reduce or eliminate attitudes or situations that can cause accidents at work during chainsaw-related activities.</p>	
<b>CAR Closed</b>	
<b>Status at the End of this Audit</b>	

CAR complied
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**Background/Justification:** Fazendas São Pedro and São Francisco, that have been recently prepared and implanted, passed through significant land movement because of the procedures to get rid of significant erosion caused by previous farming management. It was verified that the soil was not stable and it is necessary a better monitoring of the restoration works. This problem is increase for erosion originated from adjacent farms.

<b>Minor CAR 2007-03</b>	Forest manager shall implant procedures to monitor soil conservation practices on Fazenda São Pedro and São Francisco in Agudos region. The organization must include in this context solution to control erosive formations coming from adjacent properties – the owner, the government institutes and the personnel responsible for soil conservation shall participate of this project. <b>Prazo:</b> Auditoria 2008
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<b>Reference</b>	FSC
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<b>Deadline</b>	2008 Audit
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**Company´s Measure / Auditor´s Observations**

The organization has been striving to find a solution for this issue; however, a solution relies on third parts, such as removal of cattle from the areas where there is initial erosive process. The deadline to negotiate with the owners and with the engineers responsible by the railway that has been deactivated was extended to 2009 audit.

**Status at the End of this Audit**

Deadline extended to 2009 audit

**Background/Justification:** Fazenda Santo Antônio do Palmital that has been recently included in the certification scope needs to have its Permanent Preservation Area adequate in some points.

<b>Minor CAR 2007-04</b>	The company shall adequate Fazenda Santo Antônio do Palmital´s Permanent Preservation Area during the budding cuts, with is estimated to be carried out in 2010.
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<b>Reference</b>	FSC P1c1i1; P6c4i1
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<b>Deadline</b>	December 2010
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**Status at the End of this Audit**

CAR open

**Background/Justification:** Duratex has been concluding the works to reclassify the vegetation from preservation areas. However, some maps require a cartographic review.

<b>Minor CAR 2007-05</b>	Organization shall arrange cartographic review of the company´s preservation areas and introduce review maps.
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<b>Reference</b>	FSC P6c4 e P10c5
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<b>Deadline</b>	2008 Audit
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**Company´s Measure / Auditor´s Observations**

The cartographic base has been reviewed and the new maps are satisfactory.

**Status at the End of this Audit**

CAR complied

<b>Background/Justification:</b> Duratex has been developing efficiently a Plan to Recompose its Legal Reserves, and from now on, they will be monitored by SGI.	
<b>Minor CAR 2007-06</b>	Duratex shall include a legal reserve composition program in its management plan that will be monitored by SGS (it may be annexed because it is consider a strategic company´s document).
<b>Reference</b>	FSC P1c1i1; P1c7; P6c4 e P10c5
<b>Deadline</b>	August 31 , 2008
<b>Company´s Measure / Auditor´s Observations</b>	
The legal reserve composition program was annexed in the 2007 version of the company´s Forest Management Plan; however, it was deleted from 2008 version due to concept changes.	
<b>Status at the End of this Audit</b>	
CAR closed and replaced by CAR 2008-09	

<b>Background/Justification:</b> All operational activities that require field staff must comply with NR 31.	
<b>Minor CAR 2007-07</b>	The company shall implant toilets and refuge area for silviculture employees and residues collectors.
<b>Reference</b>	FSC P1c1i1 (NR 31)
<b>Deadline</b>	October 2007
<b>Company´s Measure / Auditor´s Observations</b>	
According to Duratex, the service provider companies have been told to implant toilet and refuge area for silviculture employees and residues collectors during August 2007.	
<b>Status at the End of this Audit</b>	
CAR complied	

## Recommendations

<b>Background/Justification:</b> The harvesting sites must be visited by the safety officer regularly, especially when the activities are carried out in regeneration areas.	
<b>REC 2007-01</b>	<b>Intensify the safety officer´s inspection</b> (both from Duratex and Contractors) at the timber harvest sites, mainly at the regeneration areas (Legal Reserves and Permanent Preservation Areas.) Harvest supervisors (normally members of the internal safety commission) and the forest site foreman are always at these sites.
<b>Company´s Measure / Auditor´s Observations</b>	
<b>Status at the End of this Audit</b>	
CAR complied	

<b>Background/Justification:</b> According to P6.c6.i6, the company shall monitor the health conditions of the personnel that apply pesticides.	
<b>REC 2007-02</b>	The organization shall evaluate with the physician the inclusion of complementary examinations, such as creatinine and Cholinesterase to monitor hepatic and kidney functions of the pesticide applicators.

<b>Company´s Measure / Auditor´s Observations</b>
<b>Status at the End of this Audit</b>
CAR complied

## 6.4 2009 ANNUAL AUDIT

### 6.4.1 Assessment dates

- First Certification – field audit: January 9 - 13, 1995
- Five-year recertification – field audit: May 15 - 19, 2000
- Ten-year recertification – field audit: March 14 - 18, 2005
- First audit (2006) – field visit: June 28 - 30, 2006
- Second Audit (2007) – field visit: July 30 to August 3, 2007
- Third audit (2008) - field visit: August 11 - 15, 2008.
- Fourth Annual Audit : August 3<sup>rd</sup>, 7<sup>th</sup>, 2009

### 6.4.2 Auditors in 2009

**Rossynara Batista Cabral Marques** is a forest engineer graduated by Instituto de Tecnologia da Amazônia and she has pos graduation in environmental technology by Universidade Federal do Amazonas –UFAM. She has great experience in forest management activities in the Brazilian Amazon and in the management and follow up of projects developed in partnership with timber companies and the community. She worked for five years as coordinator of an IBAMA project, and her role was to articulate in different spheres fomentation for forest managements in the Amazon region, and the implantation of Training Centers. She has in-depth knowledge in communitarian forest management that have been developed in Central and Latin America. She has participated since 2000 of a Working Group that have been following and contributing with public politics proposals. She has experience in forest certification sector, and she has worked for IMAFLORA (Brazil) and *Centro de Investigación y Manejo de Recursos Naturales Renováveis* – CIMAR (Bolivia). For the social area, she has implanted and is responsible for the development of a communitarian forest management plan in a Conservation Unit in Pará state, supporting and rendering qualification, adequate exploitation techniques that cause low impacts in the communities, safety at work and communitarian management. She is now the main adviser of Instituto de Desenvolvimento de Florestas do Estado does Pará- IDEFLOR, and her main role is to elaborate and implant a monitoring system of the areas that are in process of forest concession in Pará state.

**Dr. Jarbas Yukio Shimizu** is forestry graduate from the Universidade Federal de Viçosa with M.Sc.in Forest Sciences from the University of Florida (USA), Ph.D. in Forest Genetics from North Carolina State University (USA), and post-doctor in Population Genetics from Oregon State University (USA). Other trainings include Forest Gene Resources Conservation and Forest Tree Species Micro-propagation in Japan; Conservation and Use of Phylogenetic Resources in Spain and Environmental Management System Lead Auditor intensive course in Brazil. He has more than 30 years experience in activities such as development of forest research projects in cooperation with IBDF/PNUD-FAO, and subsequently as a researcher for Embrapa Florestas, where he worked in silvicultural area, tree improvement, forest genetics, and conservation of forest gene resources. He was also the leader of several conservation and genetic improvement projects and held the position of Technical Director of the National

Forest Research Center. He has also worked as a consultant in silviculture and improvement of fast growing tree species for official forest research institutions and forest companies in Chile, Mexico, Mozambique, Uruguay and Brazil. He has offered intensive tree improvement courses at Universidad Nacional de Colombia and at Universidade Estadual do Centro-Oeste (UNICENTRO-Campus de Irati), PR. He has also acted as advisor and co-advisor to forestry graduate student sat both master and doctor levels at Universidade Federal do Paraná.

### **6.4.3 Assessment process**

Duratex 's Annual Assessment activities began on August 3<sup>rd</sup>, 2009. Jarbas Y. Shimizu (lead auditor) and Rossynara B. C. Marques held a meeting with Duratex S/A 's board of directors and cooperators in the company 's headquarters in Agudos, São Paulo in order to officially open the assessment and define the assessment program, including chronogram and route of the field assessments. After the meeting, Jarbas Shimizu began its field work; he visited Fazenda Santa Candida in Agudos municipality, where he inspected the corrections that had been done in the water passage that cross the forest road. This correction was the object of a corrective action request that had been raised at the previous assessment. On this same farm, the assessor inspected the plantation of native forest species to recover a conservation area. On this same day, the assessor visited Fazenda Sao Pedro, in Piratininga municipality in order to verify the works that had been done to stabilize the erosion caused by the flow of superficial water from a neighboring property.

On this same day, Rossynara Marques began analyzing the documentation associated to Principles 1 and 4 and conformance with the CARs that had been raised on the previous assessment. The assessor verified conformance with the labor, health and safety at work issues (direct employees the contractors); it was also verified if there were any juridical and administrative disputes. Social programs and the procedures that had been adopted to control and protect the areas were also verified. It was also verified the relationship between the company and the local community. The assessor visited IBAMA regional headquarters on this same day, where it became evidence that there is public concern for the requirement of the company 's legal reserve registration until late 2010, according to Federal Decree 6.514/08. In Agudos, the auditor visited the Environmental Court, where it was possible to demonstrate the benefits generated by the company through the social projects development.

On August 4<sup>th</sup>, 2009, Jarbas Shimizu visited Fazenda America, in Bauru municipality, where he inspected the conservation areas, permanent preservation areas and the forest roads conservation conditions. Then he visited Fazenda Santa Helena, in Duartina municipality, where he inspected the forest roads, the conservation areas and permanent preservation areas conservation conditions. In this same county, the assessor visited Fazenda Santa Terezinha 2, Fazenda Sao Joao, Fazenda Pentágono and Fazenda Baroneza. In the latter, the assessor inspected the corrections that had been done on the water passage that cross forest roads, which was also the object of a corrective action that had been raised on the previous assessment. Then the assessor visited Fazenda Três Irmãos, in Cabrália Paulista municipality and Fazenda São João-2, Palmital e Palmital-2 in Paulistânia municipality, where he inspected the general forest road conditions, the conservation areas and the permanent preservation areas.

On this same day, Rossynara Marques visited Lençóis Paulista 's administrative facility, where she verified the harvesting procedures at Fazenda Rio Claro and the Silviculture practices at Fazenda Piracema. The auditor also evaluated the road network maintenance, permanent preservation areas and legal reserves. The safety conditions in the field and in the transportation were also verified. The assessor has also interviewed the company 's direct employees and contractors. State Natural Patrimony Private Reserve was visited in order to evaluate the general conditions of the unit.

On August 5<sup>th</sup>, 2009, Jarbas Y. Shimizu headed for Itapetininga, where he visited Fazenda Velha Mãezinha, Fazenda Santa Edwiges and Fazenda Bela Vista in Buri municipality in order to inspect the Eucalyptus plantation, conservation areas, permanent preservation areas and forest roads general conditions. In the latter, the assessor inspected a bus that is used to transport the company´s workers and interviewed the workers that actuate in formicides application. The auditor has also visited Fazenda Santa Luzia 2 and Santa Maria 3, which is located at this same municipality in order to inspect the Eucalyptus plantations, road and conservation areas general conditions.

Rossynara Marques visited the Labor Union and Lençóis Paulista rural employees in order to verify if there was any labor dispute and relationship-related problems with the company. The assessor headed for Botucatu on the same day, where she visited Fazenda Pinheiros, Jequitibá and Bofete in order to verify forest roads, conservation areas and permanent preservation areas general conditions, evaluating the inclusion of these farms in the certification scope. In this same county, the assessor visited Fundação Florestal (Forestry Foundation) – organ that is responsible for the creation of the state Natural Patrimony Private Reserve in order to verify the progress of the unit´s management plan analysis. *Fundação Florestal* also coordinates the state program for support of the Natural Patrimony Private Reserve – RPPN Paulista Program.

On August 6<sup>th</sup>, 2008, Jarbas Y. Shimizu visited Fazenda Chamallote, Três Corações, Aracagu and Juvu in Itapetininga region in order to verify the plantation conditions, conservation areas, permanent preservation areas and forest roads general conditions. Back to Duratex´s office, in Agudos, the assessor spent the day analyzing documents. Rossynara Marques continued auditing documentation for conformance with Principles 1 and 4 concentrating on the verification of the training program, labor issues and safety at work. On this same day, the assessor began to identify and raise the new CARs.

On August 7<sup>th</sup>, 2009, the auditors spent the first hours of the morning raising the new observations. The closing meeting with participation of Duratex´s board of directors and technicians was held late in the morning.

#### 6.4.4. Performance Evaluation

##### 6.4.4.1. Status of Corrective Actions Requested (CARs) and Recommendations (REC) from 2005 to 2008.

<b>Minor CAR 2005-01</b>	<b>Reference: FSC P6.c1</b>
The company shall elaborate, by December 2005, a project to study the environmental impact caused by log harvesting and hauling operations in at least two regions (Agudos/Lençóis and Itapetininga), including quantitative analyses of mammals and birds by experts one year before and one to three years after the forest operations. This project needs to be established and acted on immediately and Duratex S.A. must provide the material and human resources needed for its success.	
<b>Company actions / Auditors' observations</b>	
A project was presented at the 2006 audit, as required. However, because of the high cost involved, new guidelines were discussed, according to which, the company should present a new work proposal by the fifteenth of September 2006, focused on a single pilot area (e.g. Lençóis Paulista). Until the 2007 annual audit, the company was required to organize the analysis of wildlife survey data and present conclusions on the impacts of plantation management on wildlife conservation. Duratex presented the following proposals:	

4. To conduct a research on the influence of the eucalypt management on the wildlife, by adopting bats as indicators. The research will be carried out at Fazenda Rio Claro, to be started in the first semester of 2007 in partnership with a university.
5. To conclude the research on onça-parda (mountain lion), in search of information about wildlife conservation in reforestation areas (projects developed in Agudos and Lençóis Paulista). The project to be finished in 2007 receives technical and scientific support from Leonardo Siqueira Mendonça, a biologist and graduate student at the Ecology and Mammal Behaviour Laboratory of UNICAMP (Universidade Estadual de Campinas).
6. To review the work done on the effect of planted forest management on wildlife in the company areas and work done by other companies in the region, mainly on bird communities and other classes of animals involved in the surveys.

**Deadline:** Next Annual Audit (June 2007).

The CAR status was verified in the 2007 audit:

At the 2007 audit, the compliance with the CAR was verified as follows:

- a) The company presented a research plan called “Dynamics of the bat community (Mammalia, Chiroptera)” in reforestation and natural vegetation areas at Fazenda Rio Claro, in Lençóis Paulista, SP, to be coordinated by UNESP technical staff. The research was to begin in August 2007 and will be verified during the 2008 audit;
- b) The research on wildlife conservation in reforestation areas (work on onça-parda - mountain lion) had not been concluded until the 2007 audit and it will be verified in 2008;
- c) A review of works done on wildlife was presented, including an analysis and the conclusion by the company. This document will be evaluated and possible follow-ups will be presented during the 2008 audit. This CAR was assessed during 2008 audit and replaced by CAR 2008-08

**Status at the end of this audit**

CAR closed and replaced by CAR 2008-08

**Minor CAR 2005-02**

**Reference:** FSC *P6.c3* and *P8.c2*

DURATEX S.A needs to present programs to intensify and commit itself to secure adequate material and human resources for the following activities by December 2005:

- Study on gap dynamics
- Study on edges effects
- Wildlife and vegetation surveys at the FMU
- Definition of indices of fragmentation and connectivity of natural ecosystems at the FMU.

The partial results of these programs must be presented at each annual audit.

**Company actions / Auditors’ observations**

During the 2006 audit, it was decided that two survey pilot areas will be established (Agudos and Lençóis Paulista). In September 2006, the following proposals were presented:

- e) To select Mata da Torre, in Agudos, and Reserva do Matão, in Lençóis Paulista, as survey pilot areas, following academic guidance. In these areas, studies on gaps, border effects, and natural regeneration will be conducted.
- f) To await the results of the vegetation and and Phytosociology surveys at Fazenda

Monte Alegre native vegetation reserves, conducted by using aerial images by Débora Lemos (biology graduate student at UNESP-Botucatu). Elaborate, for the next audit, an analysis of the vegetation surveys done by the company and present conclusions on management at the farms (work to be done by the company staff).

- g) To develop a wildlife and vegetation monitoring project during July (winter) and January/February (summer) under the guidance of Duratex staff and participation of trainees and forest workers in the FMU. Six pilot areas (farms) will be selected (Monte Alegre, Rio Claro, Rincão do Pinhal, São Pedro da Terra Nova, Rio das Pedras, and Santa Maria II) and monitoring will be done in two of them each year.
- h) To prepare a table showing the index of fragmentation of natural forests in the company areas (the formula from Instituto Florestal do Estado de São Paulo and the work by Professor Cecília, from UNICAMP, developed at Fazenda Rio Claro should be taken as references. The discussion on connectivity index will be based on the literature.

**Deadline:** next annual audit (June 2007).

During the 2007 assessment, a proposal on technical cooperation between UNESP and Duratex was presented for the development of research projects focused on vegetation dynamics (population dynamics, gap dynamics, and edge effect) of forest fragments at Duraflora, in Agudos and Lençóis Paulista. Two pilot areas were chosen for the study: Mata da Torre III, in Agudos, and the Reserva do Matão, in Lençóis Paulista. According to the timetable presented, the work will started in August 2007, and will be assessed during the 2008 annual audit.

At the 2008 audit, the CAR was assessed and replaced by CAR 2008-08

**Status at the end of this audit**

CAR closed and replaced by CAR 2008-08

**Minor CAR 2005-08**

**Reference:** FSC P9.c4

Elaborate a project on periodic monitoring of primates at Reserva do Matão (High Conservation Value Forest) by December 2005. This project should provide adequate material and human resources to ensure its success and must be started in January 2006.

**Company actions / Auditors' observations**

At the 2006 audit, a high cost project was presented. In agreement with SCS, it was decided that the project can be more simplified as the one elaborated by UFPR (The Federal University of Paraná), which involved low cost methods (no purchasing of radios required) and monthly surveys required by an academic project. With these guidelines, Duratex presented a new proposal to “record the presence of primates during field surveys” by trained workers or trainees under the guidance of Duratex staff. These observations should be incorporated into the objectives of actions to comply with CAR 2005-02 by performing the surveys during July, January, and February of each year. The method to be adopted was decided upon after consulting with primatologists and the surveys were started in January 2007. At the 2007 audit, partial results of the field observations were presented. The work is being followed by researchers from UNESP who should present a proposal for the development of a study with primates and other components of the wildlife. This CAR will be re-evaluated at the 2008 audit. At the 2008 audit, this CAR was assessed and replaced by CAR 2008-08.

<b>Status at the end of this audit</b>
CAR closed and replaced by CAR 2008-08

<b>Minor CAR 2005-12</b>	<b>Reference:</b> FSC P5.c5; P6.c1; P10.c2
DURATEX needs to establish a <u>pilot system of planning</u> by adopting the micro-watershed as a planning unit in a farm to be chosen by the company in the FMU. This is meant to determine operational procedures for soil, water, and biodiversity conservation.	
<b>Company actions / Auditors' observations</b>	
At the 2007 audit, the company presented a project named "Flow Tower" developed in partnership with IPEF/USP (Forestry Research and Study Institute) to be installed at Fazenda Americana. The 924 ha area is expanded by an extensive plantation forest owned by other companies. The establishment of the project was planned for September 2007 and to be verified at the 2008 annual audit. At this occasion, the "Flow Tower" was visited. Several experiments were in progress in partnership with ten other forest companies, IPEF/USP, and a French research institution. At the project area, restricted to an area of 200 hectares, carbon, water, and nutrient flow are measured and several other experiments are being carried out, including for master and doctoral theses. The initial project is planned to last for seven years.	
<b>Status at the end of this audit</b>	
CAR complied	

<b>Minor CAR 2007-01</b>	<b>Reference:</b> FSC P6c6i2; P6c7
Implement a system to control chemical products and return of containers in a spreadsheet in which the product invoice, consumption, and the return of containers are coupled.	
<b>Company actions / Auditors' observations</b>	
Duratex presented a spreadsheet in which adequate control of these products is evident.	
<b>Status at the end of this audit</b>	
CAR complied.	

<b>Minor CAR 2007-02</b>	<b>Reference:</b> FSC P4.c2C and D
Implement procedures for previous evaluation of safety in log harvesting activities in regeneration areas (Legal Reserves and Permanent Preservation Areas), by taking into account possible risks of accidents and mitigation measures, including techniques to fell trees of different diameters.	
<b>Deadline</b>	30 days
<b>Company actions / Auditors' observations</b>	
Duratex required its Labor Safety Department to abide by the instructions contained in the following documents:	
<p><b>2.Criteria for verification of documents from clients and contractors:</b> This document determines that client and contractor companies must follow the labor safety regulations issued by governing bodies; their employees must go through an integration process in safety aspects before they effectively start their activities so that they can receive instructions about the need to comply with the safety aspects as well as too receive the labor safety instructions (IST n° 21).</p> <p><b>2. Labor safety instructions for chainsaw operator, n° 24:</b> containing instructions to reduce, neutralize, or eliminate attitudes and situations that can cause labor accidents in chainsaw operations.</p>	

<b>Status at the end of this audit</b>
CAR complied.

<b>Minor CAR 2007-03</b>	<b>Reference:</b> FSC P6c5i
Implement procedures to monitor soil conservation practices at Fazenda São Pedro and Fazenda São Francisco in Agudos region. Also, indicate solutions to control gullies originating from adjacent properties, with the participation of owners and government agencies responsible for soil conservation.	
<b>Deadline:</b> 2008 annual audit	
<b>Company actions / Auditors' observations</b>	
In spite of the efforts by the company, the solution depends on third parties. Some actions such as the removal of cattle from areas prone to soil erosion in neighboring farms were already taken. The deadline for negotiation with neighboring farmers and with the engineers from the agency in charge of a deactivated rail road was extended until the 2009 audit.	
<b>Status at the end of this audit</b>	
CAR extended until 2009 audit	

<b>Minor CAR 2007-04</b>	<b>Reference:</b> FSC P1.c1.i1; P6.c4.i1
Adequately fix permanent preservation areas (APP) at Fazenda Santo Antônio do Palmital at the time of coppice management planned for 2010.	
<b>Company actions / Auditors' observations</b>	
The organization has been fixing the permanent preservation areas in several places, as the harvesting operations advance, because the sale equipments and operators are involved in the process.	
<b>Status at the end of this audit</b>	
CAR open, within the requested deadline	

<b>Minor CAR 2007-05</b>	<b>Reference:</b> FSC P6.c4.i4; P10.c5.i1
Review the whole cartographic base generated for the characterization of the company conservation areas and present reviewed maps. Deadline: 2008 Audit	
<b>Company actions / Auditors' observations</b>	
The cartographic base was reviewed; the new maps are satisfactory and show the main phytophysiology, the permanent preservation areas, the ecologic corridors, and future connections.	
<b>Status at the end of this audit</b>	
CAR complied	

<b>Minor CAR 2007-06</b>	<b>Reference:</b> FSC P1.c1.i1; P1.c7.i1; P6.c4.i1; P10.c5.i2
Include the legal reserve composition plan in the company management plan to be monitored by SGA (Environmental Management System). This can be inserted as an attachment since it is considered by the company to be a strategic document. Deadline: August 31 , 2008	
<b>Company actions / Auditors' observations</b>	
The legal reserve composition plan was annexed to the 2007 version of the Forest Management Plan; however, it was omitted from the 2008 version due to changes in concept.	
<b>Status at the end of this audit</b>	

CAR closed and replaced by CAR 2008-09
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<b>Minor CAR 2007-07</b>	<b>Reference:</b> FSC P1.c1.i1 (NR 31)
Provide toilets and living spaces for silviculture operation workers and residue gatherers. Deadline: October 2007	
<b>Company actions / Auditors' observations</b>	
In August 2007, the contractors were instructed to provide toilets and living spaces for silviculture operation workers and residue gatherers.	
<b>Status at the end of this audit</b>	
CAR complied	

### Recommendations

<b>REC 2007-01</b>	<b>Reference:</b> FSC P4.c2C and D
Intensify the visits by safety technicians (both from Duratex and Contractors) to log harvesting sites, mainly at regeneration areas (Legal Reserves and Permanent Preservation Areas.)	
<b>Company actions / Auditors' observations</b>	
During the assessment, it was observed that the harvesting supervisor (normally a member of the internal commission for prevention of accidents) and the head of the harvesting operations are always present at these areas.	
<b>Status at the end of this audit</b>	
REC complied	

<b>REC 2007-02</b>	<b>Reference:</b> FSC to P6.c6.i6
Consulting with the labor physician, assess the need to include complementary exams, such as creatinine and cholinesterase levels to control liver and kidney functions in workers involved with chemical applications.	
<b>Company actions / Auditors' observations</b>	
The position of the labor physician was confirmed in regard to the need to test for cholinesterase to control liver and kidney functions in workers involved with chemical applications. Thus, these items will become part of periodical exams for these workers.	
<b>Status at the end of this audit</b>	
CAR complied	

### Minor CARs 2008

<b>Non-Conformity:</b> Considering that DEPRN has not allowed the removal of exotic species from the Permanent Preservation Areas, the organization needs to implant alternative measures to make the preservation areas free from these exotic species.	
CAR 2008-03	Show the results of the implantation of the alternative plan to eradicate exotic tree species from conservation areas. Linked to Major CAR 2008-01
<b>Reference</b>	P6.c9.i1 e P6.c9.i2
<b>Deadline</b>	2009. Assessment
<b>Company actions / Auditors' observations</b>	

The organization has introduced an alternative plan to eradicate invasive exotic tree species from conservation areas. It has also elaborated a report that illustrated the development of the work that has been done so far	
<b>Status at the end of this audit</b>	
CAR complied	

<b>Non-Conformity:</b> It has been verified drainage from the road bank straight to the Permanent Preservation Areas through gutters without precautions to retain sediments.	
CAR 2008-04:	Adequate the drainage areas from the roads that border the conservation areas in a way to prevent channeling water directly to these areas.
<b>Reference</b>	P6.c5.i1
<b>Deadline</b>	2009 Assessment
<b>Company actions / Auditors' observations</b>	
The company has not done anything to close this CAR.	
<b>Status at the end of this audit</b>	
Minor CAR not complied; therefore, it was replaced by <b>Major CAR 2009-1.</b>	

<b>Non-Conformity:</b> It has been found at several places in the FMUs accumulation of rain water on the road banks, which cause trench formation and deterioration of roads conservation.	
CAR 2008-05:	Implant a plan for maintenance of the farm 's forest operations areas road network in order to prevent accumulation of water on the road bed.
<b>Reference</b>	P6.c5.i1
<b>Deadline</b>	2009 Assessment
<b>Company actions / Auditors' observations</b>	
The company has implanted a plan for maintenance of forest operations road network, preventing the accumulation of water on the road beds.	
<b>Status at the end of this audit</b>	
CAR complied	

<b>Non-Conformity:</b> At the areas where the sectors are being reformed, even after the plantation and re-plantation operations, it was verified a huge quantity of wasted timber, leftovers from the harvest operations, such as pieces, thick bushes and in several instances, logs cut in commercial dimensions spread throughout the area.	
CAR 2008-06:	Introduce a procedure to maximize use of timber and minimize its presence in form of residues at the areas after the harvesting operations.
<b>Reference</b>	P5.c3.i3
<b>Deadline</b>	2009 Assessment
<b>Company actions / Auditors' observations</b>	
The company has introduced a procedure to maximize the timber yield. This involves hiring services to collect the leftovers of timber for energy generation.	
<b>Status at the end of this audit</b>	
CAR complied	

<b>Non-Conformity:</b> The analysis of the water discharged in the company 's seedling nursery does not include the total phosphorus content. This parameter is included in CONAMA 357-05 Resolution, and it is considered very important for water quality monitoring.	
CAR 2008-07:	Include the parameter Phosphorus Total in the analysis of the water that is discharged from its seedling nursery. This analysis shall be arranged at least twice a year (dry and rainy season)

<b>Reference</b>	P6.c5i1 e P8.c1.i1
<b>Deadline</b>	2009 Assessment
<b>Company actions / Auditors' observations</b>	
The company has included the total phosphorus parameter in the water discharged at the seedling nursery. A report of the last analysis has been shown.	
<b>Status at the end of this audit</b>	
CAR complied	

<b>Non-Conformity:</b> Fazenda Baronesa and Santa Candida are new areas which had been acquired by the company and they have been recently included in the certification scope. These areas have problems related to the transposition of some water courses that need to be regularized.	
CAR 2008-08:	The organization shall adequate the passage over the brook gutter on Baronesa Farm, if possible returning it to its original course. The organization shall also monitor the craters originated by the current brook course. The company shall also adequate the water gutter that runs to the river from the adjacent property to Santa Cândida Farm to prevent that the water does not run above the road, as it is the case at the moment
<b>Reference</b>	FSC P6.c5.i1
<b>Deadline</b>	2009 Audit
<b>Company actions / Auditors' observations</b>	
The company has developed works in both farms) Baronesa and Santa Cândida). It has placed drains for the water passes underneath the road bed. It has built stairs to decrease the water speed in the flow.	
<b>Status at the end of this audit</b>	
CAR complied	

<b>Non-Conformity:</b> Duratex has a series of projects and sub-projects that are directly or indirectly associated to biodiversity monitoring, that have been developed in the last few years. However, this information is neither organized nor systematized, which makes it difficult to follow up the fauna and native flora preservation program.	
CAR 2008-09:	Organize and systematize the Duratex FMU native biodiversity-related information so that the series of actions that had been taken and the ones which are under development can translate in a more cohesive manner the company 's commitment with fauna and native flora preservation. E.g. develop a long-term chronogram for this program, including the elaboration of a detailed report in the 15-year re-certification audit in 2010.
<b>Reference</b>	P6.c1i1; P7.c1.i1.i9
<b>Deadline</b>	2009 Assessment (present the Program and the Long-Term Chronogram).
<b>Company actions / Auditors' observations</b>	
The company has introduced a cohesive program, including all actions related to biodiversity monitoring (fauna e flora).	
<b>Status at the end of this audit</b>	
CAR complied	

<b>Non-Conformity:</b> The Company 's Legal Reserve Composition Plan, which was introduced in 2007 management plan, was removed from the 2008 management plan due to alterations in the state legislation (law 12.927 from April 2008).	
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CAR 2008-10:	Due to alteration in the concept, and consequently, the calculation of the entire area that will be assigned as conservation area, the company must reintroduce its Legal Reserves Composition Plan.
<b>Reference</b>	P1.c1.i1; P1.c7 e P10.c5
<b>Deadline</b>	2009 Assessment
<b>Company actions / Auditors' observations</b>	
Duratex has shown the new version of its Legal Reserve Composition Plan. This new version is in conformance with the legal requirements.	
<b>Status at the end of this audit</b>	
CAR complied	

## Recommendations 2008

<b>Background/Justification:</b> One form to follow up the evolution in the FMUs productive process is to follow the tendency of the operation efficiency. The investments and costs involved in the protection of forest against fire must reflect the reduction in the number of accidents like this. Such information needs to be evaluated constantly, using the performance from the previous year as reference.	
REC 2008-01:	Incorporate in the annual management plan (for update purpose), synthesis in graphic of the investments and annual costs involved in the monitoring, prevention and firefight versus incidence, frequency and area affected by fire on the farms managed by Duratex.
<b>Reference</b>	P8.c2.i5
<b>Deadline</b>	2009 Assessment
<b>Company actions / Auditors' observations</b>	
The company has incorporated in its management plan a synthesis in graphic of the investments and annual costs related to monitoring, prevention and combat to forest fire.	
<b>Status at the end of this audit</b>	
REC complied	

<b>Background/Justification:</b> One form to follow up the evolution in the FMUs productive process is to follow the evolution of the FMU productive process is monitor the operations tendency and efficiency. The investments and costs involved in the protection of the forests against pests (insect attacks and diseases) shall reflect a reduction of incidents like this. Such information needs to be evaluated constantly, using the performance from the previous years as reference.	
REC 2008-02:	Incorporate in the annual management plans (for updating purpose) synthesis in graphic of the investments and annual costs involved in the monitoring and combat of pests at the farms operated by Duratex.
<b>Reference</b>	P8.c2.i7
<b>Deadline</b>	2009 Assessment
<b>Company actions / Auditors' observations</b>	
The company has annual investments and costs involved in the monitoring and combat of pests. However, the information is considered strategic, therefore, it was not unveiled.	
<b>Status at the end of this audit</b>	
REC complied	

<b>Background/Justification:</b> Although the company has information about the yield of the commercial stands, the data are not included on the management plan in a systematic manner that allow the company to follow up productivity and yield progress along the years and the cycles. This information is essential for constant update of the management plan.	
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REC 2008-03:	Incorporate in the annual management plans (for updating purpose) synthesis in graphic of the productivity evolution of the planted stands along the years at the farms operated by Duratex.
<b>Reference</b>	P8.c2.i7
<b>Deadline</b>	2009 Assessment
<b>Company actions / Auditors' observations</b>	
The company has annual investments and costs involved in the monitoring of the forest stands productivity along the years. However, the information is considered strategic, therefore, it was not unveiled	
<b>Status at the end of this audit</b>	
REC complied	

<b>Background/Justification:</b> For the planning of the forestry operations, it was verified that the harvesting operations, followed by reform of the plantations, are being carried out at the same period in contiguous sectors that include huge areas. Thus, such big land extensions, involving natural drainage systems, are simultaneously being submitted to impacting activities that cause potential environmental damages.	
REC 2008-04:	Introduce a survey proposal to harvest the FMU with huge contiguous areas in which the same operations are carried out (depending on the watershed size), using the watershed concept and take into account its sustainability and the surveys that have already been developed by the company.
<b>Reference</b>	P10.c2.i1
<b>Deadline</b>	2009 Assessment
<b>Company actions / Auditors' observations</b>	
A trainee has been hired to conduct this survey and it is under development.	
<b>Status at the end of this audit</b>	
REC complied	

#### 6.4.4.2. New Conditionings (CAR) and Recommendations in 2009

Based on the results of this audit, the assessment team concluded that new conditionings and recommendations had to be raised in order to give continuity to the company's requested actions.

All Major CARs raised in 2009 were closed within the determined deadline.

#### Major Car

<b>Non-Conformity:</b> CAR 2008-04 not complied. It has been verified drainage from the road bank straight to the Permanent Preservation Areas through gutters without precautions to retain sediments.	
<b>Major CAR 2008-1</b>	Adequate the procedures to build and maintain roads (MAM 26.434) on item 7.3, associated to deviation of road bed water to conservation areas and permanent reservation areas. For the farms that have silting up and erosion problems, map the points in which there is more priority for correction and introduce a correction program, with annual chronogram in order to minimize environmental impacts (erosion, silting up, water quality).
<b>Reference</b>	P6.c5.i1
<b>Deadline</b>	Within 90 days after the finalization of this report.

## Minor CARs 2009

<b>Non-Conformity:</b> As there are a great number of certified farms in which Duratex S/A has been operating, the correction of the road bed drainage system, in a way it does not cause negative impacts over the conservation and permanent preservation areas, according to what had been determined in the program (Major CAR 2009-1), it will be required a longer period to comply with this corrective action request.	
<b>CAR 2009-2</b>	Based on the plan that has been introduced (Major CAR 2009-1), introduce a report of all the measures that were taken in the 2009/2010 period so that the road bed water do not flow by ditches and channels directly to conservation and permanent preservation areas without a sediment contention device in order to minimize environmental impacts.
<b>Reference</b>	P6.c5.i1
<b>Deadline</b>	2010 Annual Assessment.

<b>Non-Conformity:</b> The company has shown in its Management Plan scenarios that reflect conflicts and socio environmental demands originated from the forest activities. However, these are facts that happened in 1989/ 1991 and in 2003 they were recorded in formularies under the title <i>Stakeholder Demands</i> . However, this information is not update and there is neither monitoring of the impacts generated nor indication that this has been used as a tool to improve the management in a way to minimize the social and negative impacts.	
<b>CAR 2009-3</b>	Evaluate the social and environmental impacts (both positive and negative ones) of Duratex S/A ´s forest management activities and adopt quantitative criteria to evaluate the results obtained per year (e.g. county roads built / maintained in partnership with the Public Authorities; number of counties that were benefit with the measures provided by the company; complaints associated to noise, dust, vibration, etc., originated from the traffic of heavy vehicles that provide service to the company, fauna and flora; water resources; erosion, alteration in the landscape, etc)
<b>Reference</b>	P4.c4.i1, i2; P8.c2.i6
<b>Deadline</b>	2010 Annual Assessment.

<b>Non-Conformity:</b> The natural vegetation fragments have been mapped; however, there is no indication of the fragmentation level. The alterations in the connectivity between the natural ecosystem components due to forest management activities are not included in an objective manner.	
<b>CAR 2009-4</b>	Elaborate a parametrization system of the level of remaining natural forest fragmentation and begin its application within a pilot plan in order to monitor these parameters due to Duratex ´s forest management (e.g. creation of ecological corridors).
<b>Reference</b>	P8.c2.i3.
<b>Deadline</b>	2010 Annual Assessment.

<b>Non-Conformity:</b> The organization has been developing important works to recover conservation areas, incorporating the plantation of native tree species in the places that had been transformed into pasture. However; it has been observed some exotic species that were planted mistakenly amongst the native ones.	
<b>CAR 2009-5</b>	Eliminate the exotic species that had been planted instead of the native ones in the native vegetation recovery strips.
<b>Reference</b>	FSC: P6.c9.i1
<b>Deadline</b>	2010 Assessment

<b>Non-Conformity:</b> One of the sides of Fazenda Santa Helena is border by SP-294 Highway, where there is a point in which the pluvial water is flowed to inside this property. The soil of the region has a high content of sand and it is highly susceptible to erosion. The recent rainfalls caused rupture of a number of small dikes that had been built in the Eucalyptus plantation areas to reduce the water speed, causing the opening of gullies.	
<b>CAR 2009-6</b>	Develop and implant measures to control erosion in Fazenda Santa Helena caused by the water originated from SP-294 Highway
<b>Reference</b>	FSC: P6.c5.i1; P10.c6.i2
<b>Deadline</b>	2010 Assessment

<b>Non-Conformity:</b> It was observed during the assessment that the bus that had been hired to transport workers had incomplete documentation. The Road Department License for transportation of passengers was missing.	
<b>CAR 2009-7</b>	Ensure that only vehicles (both the ones belonging to the company itself and to contractors and all their drivers) have all required documentation to transport Duratex S/A 's FMU laborers.
<b>Reference</b>	FSC: P1.c1.i1; P4.c2E.i1.
<b>Deadline</b>	2010 Assessment

<b>Non-Conformity:</b> The outline of Fazenda Santa Luzia 2 roads were not compatible to what the maps that have been shown and it was difficult to identify the elements.	
<b>CAR 2009-8</b>	Update the farms maps in a way to portrait the terrestrial reality. Begin with Fazenda Santa Luzia 2 in terms of the road outline.
<b>Reference</b>	FSC: P7.c1.i7
<b>Deadline</b>	2010 Assessment

## Recommendations

<b>Background/ Justification:</b> The plans to eliminate exotic species from conservation and permanent preservation areas have concentrated in <i>Pinus</i> and <i>Eucalyptus</i> species. However, it has been observed others exotic species at the conservation and permanent preservation areas that, similarly, need to be eliminated.	
<b>REC 2009-1</b>	Include in the plan to eliminate exotic species that is under development other species besides <i>Pinus</i> e <i>Eucalyptus</i> , such as grevilea ( <i>Grevillea robusta</i> ), <i>Ficus elastica</i> , goiabeira ( <i>Psidium guajava</i> ), etc.
<b>Reference</b>	FSC: P6.c9.i1

<b>Background/ Justification:</b> Forest workers from several categories, mainly rural workers and machine operators who develop their activities near the vegetal formations are directly susceptible to insect bites, such as bees, wasps and others that can be fatal due to anaphylactic shock or asphyxiation in people who are more sensitive or allergic to the bite of these insects.	
<b>REC 2009-2</b>	Verify the possibility to include in the field workers medical examinations the allergic susceptibility of the people to allergic insect bites and study the implantation of preventive/ corrective measures for this type of accident.
<b>Reference</b>	FSC: P4.c2C.i11

<b>Background/ Justification:</b> Fazenda Pinheiros contours a small area which belongs to Botucatu Town Hall and that is used to host the county land waste site. From this land waste site it is originated chorume that flows towards Duratex 's permanent preservation area and drains into the creek.	
<b>REC 2009-3</b>	Verify with the Public Authority that manages the land waste site the viability

	to conduct chemical and biological analysis of Córrego Pinheiros water collected in the chorume discharge point, including DBO, DQO, fecal coliforms and other contaminants associated to 357 CONAMA resolution. Renew with the management body the request to solve the problems that are eventually detected.
<b>Reference</b>	FSC: P6.c1.i1

## 7.0 CHANGES IN THE SCOPE OF CERTIFICATION

There have been changes in the scope of certification since the 2007 audit. Nine new properties were included in the scope as shown in the following table with some basic information.

<b>Farm</b>	<b>Total Área (ha)</b>	<b>Planted Area (ha)</b>	<b>Legal Reserve (ha)</b>	<b>Permanent Preservation Area (ha)</b>
Baronesa	363.13	243.97	7.07	48.81
Santa Cândida	401.21	220.62	67.11	35.79
Recreio	1,746.40	1,280.74	241.03	90.24
Capão Rico	1,121.97	699.40	103.43	138.13
Invernadinha 2	178.51	147.60	10.81	6.82
Querência	205.38	145.05	3.69	19.77
Rondinha	975.65	692.12	57.79	93.53
São Geraldo	378.76	206.81	46.07	54.88
São Judas	643.64	437.40	9.87	84.41
<b>TOTAL</b>	<b>6,015.1</b>	<b>4,073.71</b>	<b>546.87</b>	<b>572.38</b>

## 8.0 Summary of SCS Complaint and appeal Investigation Procedures

The following is a summary of the SCS Complaint and Appeal Investigation Procedures, the full versions of the procedures are available from SCS upon request. The SCS Complaint and Appeal Investigation Procedures are designed for and available to any individual or organization that perceives a stake in the affairs of the SCS Forest Conservation Program and that/who has reason to question either the actions of SCS itself or the actions of a SCS certificate holder.

A **complaint** is a written expression of dissatisfaction, other than **appeal**, by any person or organization, to a certification body, relating to the activities of staff of the SCS Forest Conservation Program and/or representatives of a company or entity holding either a forest management (FM) or chain-of-custody (CoC) certificate issued by SCS and duly endorsed by FSC, where a response is expected (ISO/IEC 17011:2004 (E)). The SCS Complaint Investigation Procedure functions as a first-stage mechanism for resolving complaints and avoiding the need to involve FSC.

An “**appeal**” is a request by a certificate holder or a certification applicant for formal reconsideration of any adverse decision made by the certification body related to its desired certification status. A certificate holder or applicant may formally lodge an appeal with SCS against any adverse certification decision taken by SCS, within thirty (30) days after notification of the decision.

The written Complaint or Appeal must:

- Identify and provide contact information for the complainant or appellant
- Clearly identify the basis of the aggrieved action (date, place, nature of action) and which parties or individuals are associated with the action
- Explain how the action is alleged to violate an SCS or FSC requirement, being as specific as possible with respect to the applicable SCS or FSC requirement
- In the case of complaints against the actions of a certificate holder, rather than SCS itself, the complainant must also describe efforts taken to resolve the matter directly with the certificate holder
- Propose what actions would, in the opinion of the complainant or appellant, rectify the matter.

Written complaints and appeals should be submitted to:

Dr. Robert J. Hrubes  
Senior Vice-President  
Scientific Certification Systems  
2200 Powell Street, Suite 725  
Emeryville, California, USA94608  
Email: [rhrubes@scscertified.com](mailto:rhrubes@scscertified.com)

As detailed in the *SCS-FCP Certification Manual*, investigation of the complaint or appeal will be confidentially conducted in a timely manner. As appropriate, corrective and preventive action and resolution of any deficiencies found in products or services shall be taken and documented.